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## FRENCH ASSESSMENT OF WEST'S NUCLEAR DETERRENT

## Credibility of Nuclear Strike Force

Paris LE POINT in French 3 Sep 79 pp 42-45

[Article by Dominique de Montvalon: "War: Can Europe Still Defend Itself?"]

[Text] And what if the Soviets were to attack in Europe? Yesterday, such a hypothesis seemed absurd. Today, military commanders and planners prefer to anticipate everything. The truth is that in the space of a few months, the U.S.-USSR balance of forces has tipped in favor of the Soviets. In this issue, LE POINT examines the two major aspects of this vital problem: 1. Does the French nuclear strike force still retain its credibility? 2. In the event of a crisis, can the United States be coerced into abandoning Europe?

The following scene took place within the Ministry of Foreign Affairs in Paris a week or so ago. On some pretext or other, a diplomat from an East European country requested an urgent meeting with one of Jean-Francois Poncet's assistants. When he arrived, visibly furious, he attacked immediately: "Look here! What is all this hullabaloo about European defense?", he said in substance. "Are you thus surrendering--for the benefit of the Germans--your principles of an independent defense?" The French diplomat retorted, giving him tit for tat: "This here is a democratic country. You are familiar with our policy. But what can we do if our public opinion becomes alarmed at the new Soviet rockets that are now pointed straight at Western Europe?"

This exchange is illustrative of the issue which in a few weeks, almost in a matter of days, has monopolized the attention of experts, military leaders and diplomats. All of them are speculating about the future of France's defense posture. The backdrop to the debate on this issue is, in fact, a new sort of anxiety among the general public. Oh! Frenchmen are still not very fond of "defense talk." Besides they claim they get somewhat confused by the arcane language which is so prevalent in such matters. Nevertheless, these

past few weeks, the press has devoted a great deal of space to "celebrating" the 40th anniversary of the summer of '39, the summer before the war. And the word "war" now recurs in conversations a little more than usual.

But what so very quickly made this a burning issue--as quickly as a single match can set a tinder-dry hayfield ablaze--was the publication, in quick succession this summer, of a book and an interview. The book "Euroshima," written by a young professor and two regular officers, presented a strong argument in favor of an integrated European defense. Then a few weeks ago, LE NOUVEL OBSERVATEUR carried an interview with two staunch Gaullists, Alexandre Sanguinetti and General Buis, who likewise did not conceal the limitations of the French deterrent force if and when it is deprived of the American "umbrella." They advocated neither more or less than a Franco-German nuclear force. With the result that last Tuesday the Elysee, followed by the Ministry of Defense, endeavored to stifle all this speculation. "In a free country," everyone is entitled to express their personal opinions, including, to be sure, their views on defense. But, said l'Elysee, "it goes without saying that such comments do not affect France's policy."

This governmental clarification was not enough to end the debate. The reason is that the stakes involved are tremendous: In the event of war, does the country still have the means of coping with the situation? Can the American ally be counted on, yes or no? What policy must France follow if it wants to avoid having the Germans--if left in the lurch by the Americans--from ultimately "letting themselves yield" to a spineless compromise with the Soviets? In short, does the national deterrent force--on which the country's defense has essentially been based for the past 20 years--retain its credibility or must it be scrapped because it is obsolescent?

It is impossible, however, to understand this complex issue without first re-viewing the major stages in the development of French defense policy since 1958. Here then are the essential facts in the case.

The deterrent force was formed by stages during the 10 years from 1958 to 1968. It was built under the direct prompting of General DeGaulle. French public opinion viewed it with almost universal skepticism and lampooned the French atomic bomb as the "bomblet." On 29 March 1967, De Gaulle attended the launch of the first nuclear submarine, Le Redoutable, while over the years the silos on the Albion Plateau were being armed with increasingly powerful missiles. In 1966, France withdrew from NATO's integrated military organization, but clearly remained a member of the Atlantic Alliance, simply reserving the right to determine by itself alone what it would do in the event of war. After all, those were the heydays of international detente and nobody questioned the validity of the American "umbrella" over Europe. The prevailing theory of the times was that of the "natural sanctuary" and 'massive retaliation.' In plain language: the adversary must know that if the slightest part of our country--but only of our country--were attacked, the deterrent force would fully and immediately be brought into play. From a technological standpoint, it is true that France had no other choice, primarily because it

lacked an adequate tactical atomic weapon capability. Shortly before his death in an aircraft accident, General Ailleret, the armed forces chief of staff, carried this theory to its very ultimate conclusions by becoming the advocate--in early 1968--of the "omnidirectional deterrent," in other words, a deterrent force directed toward the West as well as the East.

The year 1969 was the year of the great turnaround. General Ailleret's successor, General Fourquet, in a lecture that aroused worldwide interest--given at the National Defense Institute of Advanced Studies (IHEDN), and at a time when De Gaulle, it is important to note, still occupied the Elysee Palace--stated, in effect, that "graduated actions" could henceforth, in case of war, proceede the "strategic strike." And that was not all. He also explicitly admitted that French air and ground combat forces could, if necessary, be employed, in the event of a crisis, "in close coordination with the forces of our allies." In plain language, this was the official rejection of the "all or nothing" strategy.

If war broke out, the French commitment could be carried out by stages as and when required. This did not mean France accepted the idea of a "nuclear battle" waged in the heart of Europe with a tactical atomic weapons exchange. It quite simply meant that before employing its strategic weapons as a last resort, France intended to probe the enemy's exact intentions, initially by means of its conventional forces, and then, if need be, with its tactical atomic weapons. France's strategy had thus reacquired flexibility. At the same time, General Fourquet turned his back on the "integratist" concept of national independence upheld by his predecessor. The term "enlarged sanctuarization" was not uttered, but, nevertheless, this idea was germinating. This term covers the idea that the deterrent force can come into play even when French territory proper has not been attacked, but when, for example, the Soviets have invaded Germany.

In the years that followed, Georges Pompidou continued the task General de Gaulle had undertaken and shepherded. Yesteryear's "bomblet" began to be taken more and more seriously, particularly by the Americans.

In May 1974, VGE [Valery Giscard d'Estaing] was elected president. Now, as finance minister he had for years taken part in the deliberations of the defense councils in which France's military policy is determined. Yet, acting as if he was discovering virgin territory, he announced in August that he was initiating a thorough study of these problems. The new president was not considered an out-and-out supporter of the deterrent. He put off making the conclusions of his study known. Some officials, even within his immediate staff, began discussing--with due caution--an integrated European defense.

The result was that as the weeks passed, the uneasiness mounted, and to such a point that the Soviets became disturbed and remonstrated with Giscard. In May 1975, VGE was at last compelled to proclaim *urbi et orbi* that for the time being "it could serve no useful purpose to broach" the European defense issue. He even went so far as to refer to the Soviet Union's "explainable

fears" about certain "projects" in which, he said, the USSR sees, at least ultimately, "the risk of a certain threat." One could not be more understanding toward the Soviets.

This thus appeared to close the debate on this issue. VGE finally adopted the policy of his predecessors as his own. He did, however, make two notable changes in that policy:

1. The heretofore accepted notion of "sacrificing" the conventional forces for the deterrent was now utterly out of the question.
2. Although France had no thought of rejoining NATO's integrated military organization, it was affirming its European solidarity with a much stronger voice than in the past. The idea of the country resisting aggression by taking a firm stand in its own "backyard" and praying heaven that the storm would strike only on its neighbors, was now viewed as foolish.

The "enlarged sanctuarization" concept gained increased acceptance. Indeed it was Jaques Chirac, VGE's prime minister at the time, who most clearly expressed this new feeling in a statement made at Camp Mailly on 10 February 1975: "France intends to play a role in the defense of the continent to which it belongs, a role commensurate with its capabilities. To do this, we cannot merely 'sanctuarize' our own territory. We must look beyond our borders."

In the months that followed, the debate on the--inevitably explosive--defense issue, did, nevertheless, have occasion to flare up again. For instance, the ambiguous comments made by General Mery, the armed forces chief of staff, in May 1976, on the conditions of France's participation in any "forward battle" in Europe raised new doubts about the president's exact intentions. But, little by little, a consensus was reestablished on the interpretation to be given to French military policy. "Continuity" became the key word once again. At least until the hurly-burly of these past few days, a situation which has revived Soviet grumbling, RPR [Rally for the Republic] misgivings, and PC [Communist Party] fulminations.

Contrary to what is being said here and there, this uproar is not due to some dark presidential scheme to question the validity of the deterrent force without actually saying so. In fact, the Elysee is reported to be even more angry than pleased at the fact that France's military policy is now in the limelight once again. No, this hubbub has been sparked by two major factors, one related to foreign policy, the other of a technical, or to be more exact, a technological nature.

The first factor is the existence of a new set of facts surrounding the international situation (see George Suffert's article [translated below]): the impressive "mounting power" of the USSR, the United States' faltering leadership, and the more pronounced propensity of Americans to "sanctuarize"--de facto--

solely their own national territory in the future. Consequently Europeans would find themselves "naked" again--in other words, solely with their own forces--in the face of a hypothetical aggressor emerging from the East.

The second destabilizing factor is related primarily to technology and somewhat to finances: without the American "umbrella," what credibility does the French deterrent still retain? And, in any case, will France be able to continue to hold its own, by itself alone, in the extraordinary and continuous scientific effort demanded, without a moment of relaxation, if it is to maintain its nuclear strike force in credible condition? Admittedly that force should, by definition, never have to be employed, but it must, nevertheless, always be feared. It must be said, in all truth, that experts are divided on this question. You might say that some are "optimists" and others are "pessimists." At any rate, there are two schools of thought.

1. When the "pessimists" give you their view, it sends chills up your spine. just listen to them: "Assume the Soviets have decided to attack. The simplest way, or at least the surest way for them, is to attempt to destroy in one fell swoop our deterrent capability. Can they do it? Answer: Yes. The Albion Plateau with its underground silos? All it would take to destroy them is one or two SS-7 missiles. The Soviets already have dozens of these missiles. Our Mirage 4 bombers on the ground? Who disputes their obsolescence? Of course, we still have our submarines. But let's not exaggerate, we have, at best, only two of them at sea at all times. Furthermore, do you think the Soviet trawlers cruising around our Ile Longue nuclear submarine base are there because they like Brittany? Naturally they are there to spy. And who can believe that they do not have at least the equipment to identify the noise of propellers, a ship's veritable fingerprints? But let us assume anyhow that one of our two submarines is spared. Well! do you know that 1 to 3 minutes must elapse between each missile firing? This means that--under the best of conditions--the submarine will have been able to fire twice before it is itself located and destroyed!"

A technician--who, for his part, believes more in the French deterrent's current potentiality--described for us one of the major directions of present American research efforts. In so doing, he illustrated, in concrete terms, how difficult it is for a country having opted for deterrence not to let itself be outdistanced at any moment. "The United States," he said in substance, "is making a tremendous effort to install a kind of small submerged 'detector' throughout all the seas of the world. These devices are linked to computers and signal the passage of any suspicious object--a submarine, for example--within their respective observation range. With the present state of the art, there is undoubtedly a relatively long time between detection of the submarine and interpretation of this fact by the central computer. The submarine, therefore, has time to change position. But will this still be the case when this technique is perfected?" Another expert added: "Do you think it is mere chance that the Soviets, who are far behind in this field, are doing everything they can today to obtain seismic computers?"

2. The "optimists" rebut this indictment with arguments they claim are just as objective. "To be sure, the Soviets can, if they wish, destroy the missiles on the Albion Plateau, but they would have to do it at a price. They are incapable of destroying the silos 'cleanly,' as the saying goes. In other words, without devastating the surrounding area. If they were to strike today, they would kill between 300,000 and 1 million persons. That should make them think twice. As for our Mirage bombers, admittedly they are not in their early youth, but by flying at low altitude, they can reach certain targets in Soviet territory. For instance, if we were to 'release' all of them, three or four at least would have a good chance of penetrating enemy defenses. And don't forget that in 2 to 3 years, they or the Jaguar aircraft will be armed with our new medium-range air-to-surface missile!"

"The main deterrent, however, is definitely our submarines. And to our knowledge, they have never been tracked, or if you prefer, followed at sea. Moreover, it is false to say that that they would be destroyed before having fired their third missile. The truth is that they can launch all their missiles in a few seconds, in other words, before--it's true--being destroyed in turn!"

"Furthermore," the optimists conclude, "our critics 'forget' the extraordinary reinforcement of our deterrent's potential that has been officially programmed for the next few years. These approved programs include construction of the sixth new-generation submarine, the arming of all of our submarines with multiple-warhead and hardened weapons, and the technical research and development, now largely underway, of the new tactical weapon system France will need by the year 2000. In short, far from becoming 'frayed,' the French deterrent is growing stronger. Solely a technological breakthrough by the adversary could possibly destroy it tomorrow!"

These arguments bring us close to the heart of the debate. But to make things perfectly clear, we still have to dispel, at this point, two misconceptions that are fostered in part by ulterior motives related to domestic politics.

1. Regardless of whether one is a "pessimist" or an "optimist"--and the Elysee is clearly aligned with the "optimists"--this debate is between out-and-out supporters of the deterrent. Nobody even suggests that the deterrent be abandoned, except possibly those persons who recommend a return to the crossbow.

2. Contrary to what the PC pretends to believe, not one serious governmental expert currently advocates for 1 second an integrated European defense, that is a single European army with several fingers on the nuclear trigger!

But, some readers will retort, last week in Avignon, [Defense Minister] Yvon Bourges definitely said: "Participating in the defense of Europe is one of the primary missions of the French armed forces." Isn't that a sign that the government is moving towards a European army? The immediate answer is clearly "no!" First of all, a thorough reading of Yvon Bourges' statement shows he was endeavoring, on the contrary, to reassert the continuity of French policy.

Secondly, those who think this policy is being changed confound--quite sincerely or not-- "European defense" and "defense of Europe."

Now, the Elysee considers this an essential distinction. In fact, the more--at any rate, for a long time--a "European defense" (as advocated in "Euroshima," for example) is utterly and purely utopian, the more the "defense of Europe" becomes the focus of French military thinking. As a result, the main question today is: Given the new set of facts surrounding the international situation, how should France's independent defense and the defense of Europe be reconciled and linked, inasmuch as it is acknowledged that the country's security presupposes the security of its neighbors, the Germans in particular?

There are essentially two opposing views:

1. The Buir-Sanguinetti approach would lead France to seek--in the absence of a possible agreement with the British who are still turned toward the high seas--a veritable sharing of the nuclear capability with the Federal Republic of Germany. This view is provocative in many respects and has received--to be blunt about it--very little backing from the government side.
2. The second view is expressed more discreetly. It would urge France to seek a sort of *de facto* distribution of tasks in Europe. This distribution could be as follows, for example: conventional forces to the Germans, tactical atomic weapons to the British, the strategic nuclear force to the French, it being understood that everything would not, once again, be sacrificed for that nuclear force!

Both of these views claim to have the answer to the two problems currently facing the president and the military high command:

1. How can we lastingly keep our deterrent capability up to standard--and frankly even enhance it--with a defense budget which does not amount to 20 percent of the national budget, when at one and the same time we intend to retain the strike force, refrain from tampering with either the ground combat forces or the draft, and "beef up" a strong intervention force?
2. How can we avoid having the Germans let themselves be tempted by a form of disguised neutralism if there should actually prove to be holes in the American "umbrella" and West Europeans have nothing to offer for the security of Helmut Schmidt's Germany, or soon possibly Franz Josef Strauss' Germany (few believe it will happen, but who knows)? A French diplomat disclosed to us that a German expert recently assured him: "We would be able to have the bomb in 2 months!"

Naturally, a dispute over such critical defense issues cannot be settled in a few months. The fact is, however, that France is not changing its defense policy. But it is striving to provide for the future by recalling the lessons of the past. As an old diplomat said with a sigh: "Nothing precipitates war more than the illusions a nation harbors about its own capabilities. Twice is enough."

## USSR Has Gained Military Advantage

Paris LE POINT in French 3 Sep 79 pp 46-49

[Article by Georges Suffert, with Jean Lesieur (Paris), and Leo Michel (Washington): "East-West: How Moscow Gained the Advantage"]

[Text] Eight men, assisted by a few hand-picked experts, met for 24 hours some 10 days ago on an American air base close to Miami. The event was not publicized. Yet it was important enough, because the eight persons in question were the defense ministers of eight NATO countries, the United States, Great Britain, Canada, Federal Republic of Germany, Italy, the Netherlands, Turkey, and Norway.

This meeting was prompted by a development of considerable significance: it is now clear to experts and statesmen that all of West Europe's land-based defenses, both nuclear and conventional, could be destroyed, with great accuracy and with one salvo, by the new Soviet SS-20 tactical missiles.

General David Jones, the U.S. chairman of the Joint Chiefs of Staff, speaking elsewhere a few days before the above-mentioned meeting, said: "The United States' former advantage in nuclear weapons has passed into Soviet hands."

The right men, who met that day in an effort to determine how to counter this threat, knew something the Free World's vacationers haughtily ignored, namely that war had become possible once again because the complacency of Western countries had enabled Moscow to tip the balance of forces in its favor.

To understand the long march of events that took us from 1945 to the present, we have to recall the past and see how this famous balance of forces evolved with the passing years.

1. In the beginning there was security. Up to the early 1950's, the United States was the sole possessor of nuclear weapons. Some 10 years later, the Soviets began to build up their arsenal of such weapons, but they still lagged so far behind that the West lost no sleep over this build-up.

Ostensibly the West had no reason to be alarmed. All confrontations were culminating in the West's favor. When the Soviets tried to kidnap Berlin, the United States responded by organizing an airlift linking the Federal Republic of Germany to the former capital of the Reich. For a period of 8 months, 2 million Germans ate, drank, were clothed, and took care of themselves, thanks to this gigantic chain of aircraft the Soviets dared not break. At the end of this very lengthy crisis, the Soviet authorities yielded and reopened the rail line between Berlin and Bonn. This was the first Soviet setback.

The second was more violent and more spectacular still. It was the Korean War. Some 2 years of fighting. The American, British, French, Canadian, etc. expeditionary force was almost driven back into the sea. Then came the slow and terrible counteroffensive. No similarity with Vietnam. It was more reminiscent of Verdun than Saigon. Then came the interminable truce talks, and eventually peace, with both sides returning practically to the war's starting point. But this was because the Americans wanted it so: MacArthur was at China's gates when Truman removed him from command. We were once again in the presence of an American peace.

The last example is one everybody remembers, namely Cuba. A tragicomic episode. Khrushchev tried to hide a clutch of rockets under the nose of the Americans. They discovered the arsenal, published photos of it, and demanded that the Soviets remove their hardware. The Soviets refused. Telephone calls and threats of a blockade. The entire Atlantic Alliance was placed on alert. De Gaulle was the first to side with Kennedy. Moscow finally yielded, for the third time.

These were three spectacular checkmates. To what can they be attributed? Basically to the overwhelming nuclear superiority of the United States over the USSR. Moscow did try, of course, to move its pawns forward, and sometimes with success. But the moment Washington would get angry, Moscow would grumble but yield. Nobody in Moscow wanted to run the risk of a confrontation that would culminate in a defeat.

## 2. Second period: attainment of virtual parity in forces and deployment of Soviet imperial power.

It is difficult to determine the exact dates of this dangerous period. Specialists know that it began somewhere between the Yom Kippur War and the end of the Vietnam War. Let us briefly recall the events of that period.

What characterized the Yom Kippur War is the fact that it ended on an American-Soviet compromise. Yet this time it was Israel that had been attacked and in the final days of the war, Egyptians and Syrians were on the brink of disaster. They were saved solely by the American-Soviet agreement. Moreover, this compromise advantaged the Soviets. While the Americans did continue to supply Israel, the Soviets also never ceased airlifting heavy weapons to Cairo and Damascus. And it was partly because the United States did not want a confrontation with Moscow that it ordered Golda Meir's troops to halt some 80 kilometers from Cairo. This time, the USSR's power existed and "asserted itself."

Yet it was, of course, the withdrawal of U.S. troops from Vietnam that made the whole world realize that things had changed. The United States was no longer invulnerable. Or, at any rate, it no longer desired to use its power at random. It took Moscow a few years to measure the import of what had happened. But when the Soviets understood, they took advantage of it. The world modestly coined a word for this omnidirectional Soviet offensive, "destabilization."

This Soviet thrust was not always clever. Take the case of Japan. The Soviet Union is very largely responsible for the Sino-Japanese agreement. Not only because it prolonged, without reason, its negotiations with Tokyo on the industrialization of Siberia, but also because the Soviet Navy blithely tried to frighten Japanese leaders. One day, some 100 Soviet ships suddenly appeared just beyond Japan's territorial waters. This exasperated the Japanese Government. It then realized it was unarmed. Consequently it made certain decisions, the first being its rapprochement with China.

In other parts of the world, however, the Soviet thrust was brilliant, notably in Africa. Its major effort centered on the conquest of the Indian Ocean by means of a three-prong operation: the Horn of Africa, Afghanistan, and the South Atlantic ports.

The Horn was the central point of the operation. The Soviets initially limited their activity to Somalia and their base at Berbera in the north. Subsequently the Ethiopians called on Moscow for help. A most pleasant surprise. Soviet generals and Cuban soldiers established themselves in force at Addis Ababa. They were the ones who waged the war against Somalia first and particularly against Eritrea. But this was a distant war and newspapers scarcely mentioned it. Especially as on the other side of the Red Sea the Soviets held South Yemen which they had transformed into their most gigantic base outside the empire's boundaries. From that vantage point, they can intervene in the direction of Africa and also Saudi Arabia to the north. The latter is obviously the more serious threat to the West. It does seem that, for the moment, the Soviets have acknowledged that any upheaval in Arabia would constitute a *casus belli*, one too big for them, at least for the time being.

The Soviets seized control of Afghanistan by a coup d'etat in April 1978. Since then, they have been conducting themselves there as if the country was a people's democracy. Uprisings are being ruthlessly suppressed. Afghanistan *per se* is only of limited strategic importance. Pakistan is the USSR's real target. If that small country were to topple, Moscow would finally have that famous link by land to the "warm seas," a route that had so fascinated the czars of Holy Russia. In any event, the Soviet fleet already now controls the Indian Ocean. The only ticklish point is Cape Town.

The Angolan operation must be regarded within this context. Its goal was likewise, of course, the destabilization of Central Africa from the Luanda-Addis Ababa axis, via Zaire, Central African Republic (hence Moscow's support of Bokassa), and Sudan. But this was not the whole reason. There are only two South Atlantic ports that can accommodate warships: Luanda--far up north--and Walvis Bay to the south in Namibia. Soviet desire to control the latter port essentially accounts for Soviet pressure exerted in behalf of Namibia within the U.N. Control of Walvis Bay would almost eliminate the Cape Town obstacle. Soviet ships could go from the port of Maputo (formerly Lourenco Marques) in Mozambique to Walvis Bay in Namibia.

The dimensions of this global Soviet effort merit close examination. According to reliable American sources--U.S. Arms Control and Disarmament Agency--arms sales from the East increased from 1.9 billion dollars in 1967 to 3.5 billion dollars in 1976, and then (according to the CIA) to 4 billion dollars in 1977. These are tremendous amounts. A noteworthy point, however, in the fact that the character of the arms export programs has changed. The days of gifts are over. The Soviets now frequently demand payment in cash, as was, in fact, the case with Egypt during the Yom Kippur War. Saudi Arabia, of course, actually furnished the cash for Egypt's payments. This detail explains in large part the subsequent break in relations between the Cairo and Moscow governments.

There has also been a change in the quality of arms employed. Third World countries now receive the most sophisticated equipment before Warsaw Pact countries. For example, Iraq, Syria, Egypt (in the past), Cuba, and Ethiopia were equipped with MiG-23's. An even better example is the appearance of the MiG-24 in counterinsurgency operations in Afghanistan: this aircraft had never been employed anywhere before. This was a sign. The biggest arms purchasers between 1961 and 1971 were Egypt, Vietnam, India, Indonesia, Cuba, Iraq, North Korea, Syria, Algeria, and Afghanistan.

This list changed slightly between 1967 and 1976: North Vietnam, Egypt, Syria, Iraq, India, Libya, Iran, North Korea, Cuba, and Algeria.

The latest area in which the Soviets are deploying their power is the European far north, in the confines of the polar circle north of Finland and Norway. Soviet leaders are fully aware of the importance of the North Pole in case of global war. This is one of the compulsory passages in the direct route between the United States and Japan, and between Europe and Japan. For the moment, both sides are amassing rockets and tanks in this science fiction landscape where there is nothing but snow, ice and wind. Thus was the intermediate period, one of relative equality of forces between East and West. It is this period that is probably coming to an end. The Miami meeting of NATO defense ministers, and the debate in France over the forms of our retaliatory systems, both prove that we have crossed a threshold. Now we are the ones who are vulnerable.

### 3. Consequences of the military imbalance in favor of the Soviet Union.

First, is this Soviet breakthrough a certainty? In France, for example, a man as qualified as Alexandre Sanguinetti seems to have his doubts. And it is true that most Soviet weapons still lag behind American weapons in three fields: electronics, radars, and miniaturization.

Yet all these factors combined do not alter the overall effect of the comparative budgets. The key statistics are as follows: since 1960, Soviet military spending has increased annually 4-5 percent in constant terms. Furthermore, the defense budget's share of the GNP is between 13 and 15 percent (the lowest estimate) in the USSR compared with 5.2 percent in the United States. Andrew Marshall--one of the Pentagon's best experts--has stated that

the Soviet military defense effort is 40 percent higher than the American effort. The consequences of such a gigantic effort are as follows.

1. The Soviets have a pronounced edge in conventional forces. This is true with respect to the number of divisions, tanks, aircraft, and surface ships. And what is more, this numerical superiority does not even take into account the Soviet Union's immense geographical advantage over Europe: the USSR is a continent, while Europe is a simple extremity of that continent and separated from the United States by some 5,000 kilometers of ocean.
2. As regards nuclear forces, the Soviets now have a distinct lead in land-based intercontinental ballistic missiles and especially in submarine-launched missiles.
3. Lastly, as concerns Europe, the so-called "grey area," in other words, the Atlantic Alliance's vulnerable area, the deployment of SS-20's plus the development of an even more accurate weapon system radically alter the East-West balance of forces. The Soviet program calls for deployment of 1,200 SS-20's or SS-21's in the Soviet Union and East European countries. It so happens that the number of existing military targets in Europe (France included) is also about 1,200. Each SS-20 and SS-21 missile carries 3 to 10 warheads [reentry vehicles]. Consequently all military targets could be destroyed in one blow. The only retaliatory action could come from the United States, but this would start a total nuclear war.

Would the United States take such action? That is the question. It is doubtful, to say the least. At the same time, Europe would be "decoupled" from the United States (see page 117, "The Third World War of 1985" by General Sir John Hackett and others). The overall effect would be to checkmate Europe at the very moment the Soviets desire to do so. In the final analysis, it was Marshal Gromyko, the all-powerful head of the Soviet Navy since 1945, who best summarized Soviet strategy. "As for me," he said, "the more I have, the better it is." This prompted Raymond Aron to make his own unequivocal summary in the review ENCONTRE: "Do Europeans draw their confidence from NATO, from their conventional armies, or from the American nuclear umbrella? Not at all. Basically they now rely on the good will of the Bolsheviks."

What Frenchmen little realize is that the defense debate now cautiously emerging in their newspapers, has been on the front page of American newspapers for weeks. For the very good reason that in a few weeks the U.S. Senate is scheduled to open ratification hearings on the SALT II agreements. Ratification will require the support of 67 of the 100 senators. At the present time, the agreements do not have that support, and the debate on this issue has divided the United States into two camps, the pro-SALT's and the anti-SALT's. Leading the avowed opposition are Senator Henry Jackson, Democrat, and Senator Jack Garn, Republican. They deem the document signed by Carter to be unacceptable to the United States. They are determined to submit amendments relative to the SS-18, the Backfire, and the range restrictions imposed on cruise missiles. The SS-18 is the huge Soviet missile that, by 1982, could destroy the fixed

silos in the Middle West. The Backfire is the most sophisticated of the current operational bombers. If the Senate were to pass the Jackson amendments, that would constitute pure and simple rejection of the treaty. A little more than 20 senators side with Jackson at the present time.

Some 25 other senators led by John Culver, Democrat, consider the agreements reasonable and say they will vote for them. To be more exact, they believe a world without SALT "would be more dangerous than a world with SALT."

Lastly, a third group led by Sam Munn, a Democrat, wants to tie ratification of SALT II to a substantial increase in the defense budget and to a clarification clause that would not necessitate renegotiation. This last group, supported by Henry Kissinger, is now gaining ground. There is no assurance, however, that the Soviets will accept a clarification clause. Once again, the United States and the Soviet Union are facing a showdown in which each side is adamant. But this time, nobody knows which side will yield.

Are there any means of restoring the balance of forces in Europe? The eight NATO defense ministers are convinced there are. But this does not mean they have decided to use them. To restore that balance would require deploying long-range cruise missiles on this side of the Atlantic, or basing Pershing 2 rockets capable of striking the USSR, or possibly building a new SS-20 type of missile in the West. Such actions are possible, but there is no assurance that they will be taken. Where in Europe can these new weapons be stationed? Italy and Turkey lack the necessary political stability and money. Norway and Denmark refuse to store nuclear weapons on their territory in peacetime. Great Britain has its own nuclear force. Belgium and the Netherlands are possible candidates. But the Dutch government fears a wave of demonstrations by its usual protestors.

That leaves the Federal Republic of Germany. An American official told us "it was Bonn that sounded the alarm about the SS-20, and now they are hesitating." Why? Because Helmut Schmidt does not want to be the only one to take up the Soviet challenge. He wants somebody to support him. He wants the Alliance to act, and at the same time see that overtures are made to Moscow so as to compel it to negotiate.

This is what is being discussed and decided at this time. Not altogether peace or war. But, in any case, the accelerated "Finlandization"--evolution towards increased dependence of European countries vis-a-vis the USSR--of Western Europe, France included. If nothing happens, Brezhnev or his successor will not need to send tanks or rockets against Bonn or Paris. He will simply have to telephone. Everyone will obey.

**U.S. and Soviet Strategic Nuclear Force Levels**

	<u>U.S.</u>		<u>USSR</u>
	<u>1968</u>	<u>1978</u>	<u>1968</u>
			<u>1978</u>
ICBM Launchers	1,054	1,054	858
SLBM Launchers	656	656	121
Strategic Bombers	545	432	155
Nuclear Warheads	4,300	11,000	1,300
			4,500

**U.S. and Soviet Conventional Force Levels**

	<u>U.S.</u>		<u>USSR</u>
	<u>1968</u>	<u>1978</u>	<u>1968</u>
			<u>1978</u>
Troops (in millions)	3.5	2.1	3.4
Tanks	8,500	10,500	32,400
Combat Aircraft	5,100	4,500	4,000
Surface Ships	360	172	230
			243

**Opposing Conventional Forces in Central Europe**

	<u>NATO</u>	<u>Warsaw Pact</u>
Troops	626,000	943,000
Tanks	7,000	21,000
Combat Aircraft	2,385	4,055

8041  
CSO: 3100

## WEST EUROPEAN SECURITY VIEWED IN LIGHT OF NEW WEAPONS

Paris DEFENSE NATIONALE in French Jul 79 pp 27-41

[Article by Gen Pierre M. Gallois]

[Text] In a recent issue (autumn 1978) of the excellent quarterly review, COMMENTARY, the American writer Edward Luttwak deplored the lack of real strategic reflection displayed in the SALT debates in the United States. Raymond Aron, in a preface to this article, stressed this point of view in these terms:

"A Russo-American agreement always affects the security of the allies of the United States. It should not be evaluated solely as a function of the exchange of nuclear strikes between the two great powers. Supposing that the SALT II agreement brings about a cutback in the Soviet Union's spending on its so-called strategic arms (which has not been the case until the present), wouldn't the Soviets spend the money saved for their army and their fleet, more to be feared by the West than the inter-continental missiles, and in any event, as numerous?

"This study restores the definition of strategic thought as the systematic analysis of all the military resources available to be used in a nation's policy."

Different answers could be made to the question asked by Raymond Aron, but in any event, this article by General P. M. Gallois illustrates to perfection the definition he gives of strategic reflection. The article -- it is actually a speech he gave in the Colloquium on the security of Europe sponsored by the International Diplomatic Academy on 4 April 1979 -- reviews a number of hypotheses on the use that the Soviet Union may make of its armed forces and the function of its armed forces in the framework of its general policy.

This article will also give our readers a better grasp of the thoughts of General Gallois, and will make his speech in our Colloquium of 15 March on the strategic evolution of the two great powers more clear. We have included a report on this Colloquium in this issue.

France no longer has a particular enemy. It wants the integrity of its territory and the sovereignty it intends to exercise freely over its own course to be respected. It obviously hopes to remain in peace both with its neighbors and with the rest of the world.

Among the nations of Europe, France has stood out for a long time through its unity and more recently by the absence of any territorial claims and the concern it has for political and military independence which, as this is a real concern, keeps it from taking part in any armed coalition, from swearing allegiance to an ideological clan, from depending on any foreign power.

For the other nations of Europe, it is normal:

- a. For the Federal Republic of Germany, socially at peace, economically powerful, gradually mastering highly advanced technology, to yield to the attractions of reunification;
- b. For Great Britain, both the mother and daughter of America, which has suffered more than other countries from the loss of its immense empire, to have difficulty withstanding the appeal from across the Atlantic, and most often giving these appeals priority over those ties linking it to the continent;
- c. For Italy, a Mediterranean power, to plan to join in a larger political and economic system, which would be aided and protected by the United States;
- d. And finally, it is normal for the other Western European nations to seek in a sort of "provincialization" a rational solution for the problems caused by their size and by their divisions.

Historically, until the last century, the countries of West Europe have had quite different destinies. While, aided by geography, those in the far west, Great Britain, France, Spain, and Portugal very early became states, the others in

Central Europe belonged for quite a long time to the Holy Roman Empire and therefore were governed from outside, from Regensburg or from Madrid. And so, even today, with the weight of history helping and with reason urging them, it is easy for them to turn, for their security and possibly for their defense, to a capital located thousands of kilometers across the Atlantic.

Present or past, these special features are mentioned here because they determine the conditions for the security of the nations of West Europe.

While France no longer has any one particular enemy, today the Soviet Union, because of its huge military apparatus, bears watching and even arouses concern on the part of its neighbors. Of course, we can not prejudge its intentions from its military capability. On the contrary, the cruel sufferings we shared with the Soviet Union starting in 1941 exclude, in our mind at least, a test of force which would seem some monstrous aberration. This is especially true as, despite the stockpiles of weapons being accumulated on both sides, everyone, not only in the west but very probably in the east as well, wants detente and cooperation.

So the question may arise about the Soviet Union's purpose in amassing such a combat potential, either in strategic nuclear weapons, or for combat on land, at sea, and in the air. Several answers might be given to such a question, all of which do converge.

1. First hypothesis. The Soviet Union, seeking to equal, then to surpass its great American rival in military might, may want to become the leading military power. In so doing, it completely unbalances Eurasia, both in the west and in the east. So the rivalry between the strongest power of the old world and the power dominating the new world creates the military conditions for instability on our continent.

To understand the motivations of such behavior, we must go back to history:

a. Russia has been invaded 3 times in 130 years. The last of these invasions caused 20 million victims. It destroyed the housing, industry, and economy of a vast

portion of the Soviet territory<sup>1</sup>;

- b. 20 years earlier, when it had just gotten started, the new Soviet regime was threatened by a coalition of Western powers which worked to destroy it from 1919 to 1921;
- c. And finally, more recently, by overarming the United States, President Kennedy began an arms race. And today no one can tell how this race will end, or even if it will one day be brought under control.

If these are actually the reasons encouraging the Soviets to build up their military capacity, their behavior is then caused both from their past weaknesses, the painful early days of their regime, the memory of invasions, and also the scientific, technical, and military advance of the United States, which could place this country in a position of force and give it the capability, if not the desire, to impose its own wishes.

Consequently, if in the matter of armaments of all types, the Soviets act as they do, this may be due to a sort of "over-reaction" against their past inferiority and in order to accept the challenge of the United States, which is itself too heavily armed. Aware of the decisive nature of the present "nuclear standoff," they may be trying only to maintain its continuity by avoiding any technological and military weakness. Once this form of non-war is assured by their vigilance, they might accept peaceful competition with their rival power and more generally with the rest of the "free world."

2. With the constant increase in the military power of the Soviets explained in this way, their undertakings abroad, done in order to support or set up political and social regimes to their liking, lend support to a second hypothesis.

The long term goal of the Soviet Union might be to gradually move into first place by making its political and social system very widespread or at least by creating regimes favorable to its own. In some circumstances, if necessary, force might be used, but without ever taking the risk of a conflict in which the Soviet troops themselves would have to be engaged.

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- 1. The Soviet-German war produced 20 million victims, destroyed over 1,700 towns, 70,000 villages, and over 30,000 industrial facilities.

The late Marshal Grechko in 1974 published a document<sup>2</sup> which enlarges the traditional missions of the Soviet armies, and gives an official foundation to this hypothesis. The USSR's minister of defense wrote:

"The historic function of the Soviet armed forces is not limited only to the defense of the mother country and of the other socialist countries. In its foreign policy endeavors, the Soviet state actively opposes, in full cognizance of its deeds, the export of counterrevolution and the policy of oppression; it aids national liberation struggles and resolutely opposes imperialist aggressions, no matter in what distant region of the planet they may occur. Our armed forces, and those of the other socialist countries, have thus received a new mission."

This is the military expression of a Messianic concept attempting to extend to the entire world -- no matter what the distance involved -- a better political system, considered to be the only one capable of promoting effectively the economic and social development of peoples, especially those in the developing countries.

The history of Russia's territorial expansion shows that its leaders have always had a sense of empire and that despite very great difficulties, they have been able, by proximity, to extend their sway over a very vast territory, peopled with ethnic groups other than their own.

In the beginning of the 14th Century, the Grand Duchy of Moscow was a tiny state, smaller than the Ile de France of the first Capetians. Today, under another form, it extends from West Berlin to the China Sea and from the Arctic Circle to the borders of Pakistan. During these 7 centuries, the other empires have all collapsed, such as the Ottoman, the Holy Roman Empire, the Hapsburg Empire, the empire of Napoleon I, and Hitler's Reich. And the Spanish, Portuguese, British, French, Dutch, German, Belgian, and Italian empires have all collapsed as well.

But under the Tsarist regime, territorial expansion had been a matter of territorial continuity, and most spectacularly had moved toward the vast expanses of the east and southeast of

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2. "Problems in the History of the Communist Party of the Soviet Union."

the continent. Today's goal is apparently both more ambitious and less radical, since, ignoring geographic limitations, the Soviet Union is extending abroad, wherever circumstances make it possible, political systems which are ideologically close to its own.

According to this hypothesis, as far as West Europe is concerned, the Soviet maneuver, if it actually exists, consists of:

- a. Promoting the weakness and even anemia of existing political regimes by fomenting internal opposition and by supporting ongoing political and social strife, from a distance.
- b. Or extending the area of its satellite states to territories producing raw materials and petroleum in order to control indirectly the supply sources so vital to the transforming nations of West Europe.
- c. Or perhaps even to monitor if not control, by means of friendly countries acting as intermediaries, some of the shipping routes for the raw materials and energy needed by West Europe. This could give the Soviet Union a major advantage in handling any potential crisis.
- d. And finally, the reunification of Germany could in the future destroy the present European status quo. Changes in arms technology have modified the position of Germany relative to the Soviet Union. Yesterday the Soviet Union could not have allowed the reunification of the two Germanies and 80 million Germans in theory capable of launching 5 to 6 million weapons toward the east. But today the Soviet Union's military stature is such that it does not fear the United States, and certainly need have no fear of Germany, whether reunified or not. While there are many political drawbacks facing such a plan, militarily there are no problems.

The armchair Machiavellianism characterizing some phases of this maneuver will escape no one's attention. These are virtual capabilities that the Moscow government might have available to it. Considering the role it has assigned its country in the world and the political and moral stature it wants to enjoy, it would take some special circumstances which can not be foreseen now for it one day to actually unleash such an array of maneuvers.

3. Third hypothesis. The long-term objective of the Soviets may be considered to be a form of pre-eminence, if not world domination. If it became absolutely necessary, this would entail the direct engagement of the Soviet armed forces.

This is the hypothesis implicitly accepted by the NATO countries since they use part of their resources to set up and maintain the forces necessary to "discourage aggression," to use their expression, or even to combat it.

Here we should make explicit a certain number of postulates.

The first is that there is no common ground between the conflicts that we have witnessed in Korea, Vietnam, the Middle East, Angola, or Ethiopia and a war fought in the European theater. In the first case, the Soviet armed forces have never been directly engaged, but only troops of friendly countries or political partisans. But things could not be the same in Europe, if only for obvious geographic reasons.

So let us beware of drawing the slightest parallel between distant conflicts which could be lost without compromising the security of the motherland for a moment, and a battle that would take place on its borders and in which its arms would be directly involved. The recent events on the Sino-Vietnamese border have again revealed this essential difference: while it would have been possible for the Soviets to create a "second front" somewhere along the 6,000-km border shared with China, no intervention of this type, which would have had to be conducted by Soviet units on guard duty in this region, took place.

Second postulate: if ever the Soviet Union itself became involved in a large-scale conflict, with all the risks and disadvantages resulting from such behavior, it would not do so to lose, but to win, and it would use all the means available to do so.

Third postulate: in Europe the countries of the west will not take the initiative of turning to force. Who could believe that the democracies would plan an aggression? How could we believe that the NATO countries, or what is even more unlikely, just one of them, might take up arms against a power which dominates them all by its impressive military stature? No, whatever the behavior of the countries of the east, those in the west will never take the initiative of resorting to force against them. No matter how serious the quarrel, negotiations would be used. And in all circumstances.

From this postulate, we reach a forced status quo, at least in logic. The Soviets have never stopped saying and writing--and all their strategic studies show this--that they intend to defend themselves against any aggression by the imperialist countries and that they would make use of their offensive arsenal to respond to an attack, an attack for which they will never take the initiative. Since that is also the western position, we will have non-war, if not peace, and everyone is pleased about this.

But in order to explore all hypotheses, the military on both sides have to consider the worst, that is, an aggression initiated by the other party.

In the West, as initiating an aggression is inconceivable, we have to accept, at least in defense planning, the fact that the initiative, all the initiatives, would be with the east. This means that neither the nature of the weapons, nor their deployment, nor their alert status can be the same in the east as in the West. And it also means that the west should organize to be capable of absorbing a first attack without losing everything in one strike. The consequences of this asymmetry have been considered in the United States, with advantage to its security, but not in Europe, to the detriment of its security.

Based on and accepting these postulates, if in West Europe the Soviet Union ever took the initiative of threatening the use of force, with the risks that would entail, or if it used this force, a certain number of options would then be open to it.

First of all, intimidation. From the peak of its military might, it could demand advantages that it would be hard to deny. Already, when its cargo planes transported troops and materiel to Ethiopia, the air space of a number of countries was apparently crossed without permission. And there were no protests.

Also, the intimidation process would to some extent be natural and it would not be necessary for the strongest power of the old world to go as far as offensive posturing. Everyone knows both its power and its prudence, and also its determination.

Another option would be using the "salami strategy."

This would mean using diplomatic action (for governments) and propaganda (for public opinion) to isolate a particular country, while reassuring other countries. Then minor demands about the consequences of a conflict would be made to the isolated country.

A repetition of the procedure could lead to substantial gains.

Although it has been considered by the allied joint staffs, this strategy is not in the Soviet style. Yet the corresponding hypothesis has not been totally eliminated.

There are still two other options left, highly improbable, but which we should at least mention:

- a. An attack of the NATO countries in Europe using conventional weapons;
- b. A long-range disarmament of these NATO countries by the Soviet Union, using highly precise ballistic weapons.

Everyone has considered the first of these two options. And the NATO countries are devoting major human and materiel resources to such an option.

Since the development of long-range ballistic missiles, the United States has lost the invulnerability due to its geographic position; now it is trying to limit a war waged against Europe to conventional weapons. So the United States credits the Soviets with the same intentions as its own. Thus, the NATO command and behind it, the general staffs of the countries of the Alliance have to consider this hypothesis in developing their plans.

Although in reality it has hardly any foundation, it does appear plausible. This is why:

First because of the weight of the past. Hitler won his first victories in Poland, in France, and in Russia with the onslaught of his tanks. Although since the end of the last world war scientific and technical innovations have totally changed the nature of armaments, and although it is 40 years old, this type of military operation still seems effective. The allied general staffs, looking back toward a past which they dissect over and over again, thus spare themselves any effort of imagination and are actively preparing to fight yesterday's battles. So with their minds at rest, they can keep a military apparatus with which they are familiar, even though it is out of date.

Also, the United States is working to legitimize this strategy. Wanting to "denuclearize" the defense of Europe in order to limit the risks they would have to take in getting involved in it, the Americans are trying to make themselves believe that the Soviets think just as they do.

Furthermore, the forces of the Warsaw Pact have tens of thousands of tanks, so it seems logical to think they might use them the way the Third Reich did. But if we read Soviet military texts, it would seem that these armored vehicles have other reasons for existence:

- a. They would be decisive if, upon the withdrawal of the U.S. troops, it became certain that the European NATO countries lacked any nuclear protection.
- b. They are already needed for the occupation of the countries of East Europe and for maintaining order. They would be even more essential for the occupation of conquered territories.
- c. West of the European isthmus they constitute a potential threat against which the West is concentrating most of its resources, to such an extent that the West remains absent elsewhere in the world where its destiny is actually being determined.

We must nonetheless recognize that such a form of warfare in Europe would entail serious disadvantages for whoever took the initiative. The use of the large number of troops needed would not let it benefit from the effect of a surprise attack giving it a decisive military advantage. The victims of a surprise attack, the Soviets know better than anyone else what this means to the one who can exploit its effects.

If the scale of the initial operations were limited in order to conserve a certain effect of surprise, the attacker would thus be taking the risk of engaging in a long-duration operation. He would then be giving the countries of the defensive coalition a chance to discuss the situation, the time for reinforcements to arrive, the time for a resistance movement to be organized. In short, he would be engaging in a game which, if not won right at the start, could in the long run turn out badly for him.

The destruction caused by the conflict would be considerable and the victor would occupy a scorched earth. Just imagine the ravages in the urbanized plains of northern Europe caused by tens of thousands of tanks with their artillery, clashing for several days. Occupying a defensive position in Germany, a single U.S. armored brigade would occupy a territory with 85 villages<sup>3</sup>. Each of them would become a hotbed of resistance and every house a blockhouse. Soon one stone wouldn't be left standing on another of the German housing stock. How could we imagine that anyone would deliberately decide to wage such a stupid war?

Then the new arms may limit the role of tanks. The Yom Kippur War showed that with several thousand men and antitank weapons, the Israelis could immobilize some 1,200 Syrian tanks advancing toward the Golan Heights. Furthermore, the doctrine of the Soviets and the weapons they have would enable them to conduct the battle in Europe quite differently. Unlike the NATO countries, the countries of the Warsaw Pact work out their strategic doctrines based on the performances of the new weapons they have.

4. By reducing it to two simple propositions, this doctrine on which our fourth and final hypothesis is based would be the following:

- a. Using surprise, to destroy from a distance with precise ballistic weapons the combat resources of the adversary. Because of the element of surprise, his weapons would be destroyed on the ground.
- b. Then to advance toward the disarmed territories, occupy them, and install and maintain there "suitable" regimes.

The improvements made in recent years in the precision of ballistic weapons create the tools needed for this strategy. From a lack of precision of 2 to 3 km at a range of 10,000 km about 15 years ago, now there are precisions of 200 to 300 meters at the same range. In a few years errors should be reduced to about a hundred meters because of new guidance methods.

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3. Paul Bracken. "Urban Sprawl and NATO Defense," in *SURVIVAL*, November/December 1975.

The consequences of these spectacular improvements may be decisive in determining the nature and effects of major conflicts in the future. Consider this:

The destructive energy transported over a long distance may be considerably reduced. Megatons are disappearing, to be replaced by hundreds of kiltons, which will then be cut down to kilotons in the low range.

The destructive energy is now being adapted to the dimension and nature of the target and, as it is no longer necessary to compensate for errors in firing by power, damages inflicted outside of the target will be eliminated. So fixed military installations on the ground could be destroyed without the human environment (the civilian population) and material environment (the housing stock) suffering very much.

In this way, the prospects for precise destructive operations, even surgically precise, aimed solely at military installations with little or no collateral damage, could make a war waged in this way an intelligent proposition, since without great destruction, an adversary caught by surprise could easily be disarmed.

The great powers, having stimulated research by pouring in billions, have had the trick played on themselves. They have made conceivable and even attractive a form of conflict which, since the advent of the atom, had been rightly considered enough to ban war.

Then using this hypothesis entirely based on technical progress in weapons development, the winning combination consists of three factors:

- a. Initiative;
- b. Surprise;
- c. The precision of ballistic weapons.

The west feels that the east holds a monopoly on this combination. The Americans understand this, and they have placed 90 percent of their strategic arms in constant movement on board their submarines and bombers.

For the nations of West Europe, what will this new revolution in arms technology mean, and what consequences may it hold for the eventual use of force?

Unlike the United States, the European NATO members, excluding Great Britain and France, have to defend themselves solely with conventional forces, that is, with armed forces which are highly vulnerable to a possible long-range disarmament. In fact, with the progress made in ballistic weapons, all of their military apparatus would be easy to destroy. An American expert<sup>4</sup> estimated recently that this military apparatus was actually an invitation to aggression because it would be so easy to destroy it.

In this respect, the situation of the Federal Republic of Germany is particularly illustrative. Its air force could be surprised and destroyed on the ground by fewer than 100 low-power projectiles. The German ground forces would suffer the same fate with the explosion of several hundred similar projectiles. In a few minutes, the entire German military apparatus would have ceased to exist.

And this operation could be conducted rather selectively so that the U.S. military installations would be spared, and then the two great powers could negotiate about the fate of West Europe.

No matter how unlikely this hypothesis on the conditions of West Europe's lack of security may seem, we should still remember that if it ever became a reality, it would give a considerable advantage to the side which took the initiative.

- a. Long-range disarmament of the NATO countries which had only conventional forces and were consequently without any means of reprisal.
- b. No damage to human and materiel resources of the disarmed countries, whose industrial potential would be immediately usable.
- c. For lack of time, no consultations between Western allies and no organized reaction.

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4. Jeffrey Record. "The Theater Nuclear Weapons. Begging the Soviet Union to Pre-empt." *SURVIVAL*, September/October 1977.

- d. No prior reinforcements needed.
- e. No human or materiel losses for the aggressor, who could win without losing a single combatant.

Militarily as improbable as the others, this form of threat will have some significant political repercussions.

In their present situation and when they have become aware of the new forms an armed conflict in Europe could take, the European NATO members will have no other choice but to keep on their territory, as interlocked as possible with their own forces, as many American forces as they can, if only as "hostages."

In the end, then, 5/6ths of the states forming the West Europe that we are being called on to create will have to depend for their security on the good will of a capital, Washington, located thousands of kilometers away.

That is undoubtedly the reason why they are careful not to talk about defense, security, and foreign policy when the subject of European construction is raised.

#### Conclusions

During the past quarter of a century, the least that can be said is that the West has been neither willing nor able to draw any advantage from its immense resources. In this respect, the case of West Europe is a good example of lack of adaptation.

The NATO countries are devoting large human and materiel resources to setting up and maintaining a military apparatus that is perfectly inappropriate, when they could very well, with little trouble, have the resources needed to prevent any change in their territorial status quo.

Of all the more or less bellicose hypotheses mentioned earlier, none really seems threatening. Not that one of them at least may not be terribly and intelligently effective but, setting war aside, there are so many other means--ideological, political, diplomatic, economic, social--of increasing power and influence without running the risk of appearing as an aggressor, that in Europe, solutions involving the use of force seem too primitive to be employed.

But outside of Europe, precisely where the resources of the western countries--both men and money-- would be effective, the west is absent. To such an extent that its security is being endangered more and more.

Since the end of World War II, under the protection of the United States, the member countries of the Atlantic Alliance, as well as those linked to the United States by treaties of mutual assistance or security, have been mistaken about both the type of defense and the geographic areas where they should perhaps apply the weight of their resources or even their force. So it is not surprising that they will have to pay for their mistakes.

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## PROBLEMS IN U.S.-EUROPEAN ARMAMENTS COOPERATION REVIEWED

Frankfurt/Main FRANKFURTER RUNDSCHAU in German 20 Aug 79 p 3

[Article by Erich Hauser (Brussels): "American Roadblocks on a Two-Way Street--The United States Scores End Runs Against Its Allied Competitors in the NATO Armament Business"]

[Text] If necessary, CDU Bundestag delegate Carl Damm plans to play David with his slingshot to the American armament industry's Goliath. He announced a few days ago in Brussels that he would propose to the Bundestag Defense Committee a freeze on the DM 100 million for NATO's AWACS airborne early warning system, which is earmarked as a partial payment in the 1980 federal budget, unless the Americans comply with their compensatory commitments. The 18 Boeing radar aircraft will cost an estimated DM 4 billion to procure; the FRG is to contribute about DM 1.2 billion. In return, Washington had committed itself to purchase from the FRG telephone communications facilities, trucks, buses and forklifts for use by United States forces; in addition to DM 511 million for German subcontractor components for the radar aircraft, these were to "compensate" for the balance of the German contribution. But, says Damm, Washington has up to now signed only minimal compensatory contracts.

The "two-way street," which has for many years been envisaged by American and European defense ministers for transatlantic arms deliveries, is still blocked in the westerly direction by American roadblocks. Says Damm: the United States has in effect failed to buy a single "European" weapons system. Efforts by former FRG defense minister Georg Leber to promote the German "Leopard 2" combat tank in a German-American two-model performance competition as the "NATO standard tank" for the 1980's came to nothing because of opposition by American generals and armament experts. Even Leber's belated barter proposal ("we buy AWACS; you buy Leos") was useless. The only items the Americans promised to buy from the FRG as compensation for the AWACS are not armaments, but ordinary commercial vehicles and telecommunications equipment.

Even the former NATO Supreme Commander for Europe, American General Alexander Haig, was moved last May to send an urgent message to Washington. The "Roland" anti-aircraft rocket, jointly developed by Germany and France,

which was supposed to have been the first arms purchase by the United States from a NATO ally, was turned down by the United States military for cost reasons. Said Haig in a teletype to President Carter: "It would be an extremely heavy blow to the North Atlantic Alliance" if there were to be no purchase from the German-French manufacturer of the license for manufacturing 6,000 of these rockets in the United States. Right now the matter is pending in the United States Congress; while the Senate is aware of the potential political fireworks if the Europeans were to be disappointed once again, the House of Representatives does not agree. A House-Senate conference committee will have to come to a decision after the vacation period is over.

In the meantime, the Belgian parliament has recently decided upon the procurement of about 1,500 armored vehicles of two United States models, 79 percent of which are to be subcontracted in Belgium. The French mass media considered this an act of "European betrayal" in view of the fact that the French armaments industry had entered two models of its own in the competition--a repetition of what transpired 4 years ago when Belgium, The Netherlands, Denmark and Norway decided to procure the American F-16 fighter aircraft rather than the latest "Mirage" type. The deciding factor at that time was the same: The United States had offered more "compensatory purchases"; apart from which the military experts considered the United States weapon systems to be superior.

In effect, the "two-way street" problem has four aspects:

1. In many cases though not all, the U.S. armament industry's latest products are technologically superior to the West European ones;
2. They are less expensive, because U.S. firms can a priori count on greater quantities to be manufactured;
3. Washington is in a position to offer more generous "compensatory purchases" of non-military equipment and supplies for its forces in Europe than can European governments, which are constrained by EC regulations to issue large public contracts on a "multinational" basis;
4. On the other hand, large U.S. contracts are subject to the "Buy American Act," the congressional law requiring procurement in the United States of anything which can be bought there more cheaply. All four components jointly favor the United States unilaterally: Inasmuch as U.S. firms can count on larger orders if they are the successful bidders, they can afford greater R&D expenditures.

Experts have for many years been aware of the fact that the NATO countries annually waste at least \$10 billion in comparison with the Warsaw Pact because they do not use standardized weapons systems in all their armed forces. Moreover, it is not disputed that this impairs NATO's defensive efficiency. Only in the FRG, the Benelux countries and Denmark can we find a certain readiness, based on emotional and moral feelings on the part of

broad segments of the population, to leave the disreputable armaments business to "big brother U.S.A." for NATO as well. True, even in Belgium every arms procurement action triggers bitter parliamentary fights between the Flemish and Walloons over jobs for component or compensatory manufacture. In London 2 years ago, the left wing of the Labour Party was triumphant when the government declined participation in AWACS in favor of its own British radar aircraft. France's Communists and Gaullists are in agreement on the necessity for an economically self-sufficient national armaments industry whose products, however, it would be incumbent upon their European Community partners to purchase. Should the Germans be successful in forcing the "Roland" anti-aircraft rocket upon the Americans via the NATO "two-way street," this would no doubt be celebrated as a national victory in Paris.

The newly elected European Parliament will sooner or later be forced to take-up again its predecessor's attempts at discussing the "European armaments industry." Even the Italian Communists in the former parliament did not condemn a report by CDU deputy Egon Klepsch which dealt with the problems. And Belgian EC Industrial Commission member Etienne Count Davignon presented a hair-splitting argument: inasmuch as the EC treaty mentions EC tariffs for arms imports, the European Community had a certain competence in the matter. To France's delight, the Commission decided that Belgium, The Netherlands and Denmark, in their capacity as EC states, would have to pay customs duties on parts for the F-16 fighter to be imported from the United States.

Some back-stage negotiations are going on about this. The same problem applies to the Belgian armored vehicles. Brussels could manage to get funds into the EC budget for the 18 AWACS radar aircraft (because customs duties are automatically channeled to Brussels), as soon as it is decided how many of the early-warning systems will eventually carry the national insignia of EC states--as long as the EC Commission does not find that the British Nimrod radar aircraft had not been a real alternative. The Commission's main argument in favor of collecting customs duty is the following: Should the United States eventually buy arms in Western Europe, they would be subject to U.S. customs regulations unless the U.S. Congress passed new laws.

Export to the Third World is a significant component of the armaments industry. There too, the United States is taking advantage of its favorable position. In the Near East it has mostly eliminated British-French competition. The FRG places restrictions upon its armaments industry, which is not very strong to begin with. In the old EC Parliament, West Berlin SPD delegate Sieplerschmidt unsuccessfully tried to introduce an arms embargo to "tension areas." France and Great Britain did not want to sacrifice any jobs even though they, along with Italy, hold 15 percent of the Third World arms market, compared with 27 percent for the USSR and 47 percent for the United States (FRG: 2 percent). In the absence of exports, every weapons system increases in cost. But someone will no doubt deliver. For example: the threat by Nicaragua's new government is that if the West refuses to provide arms, it will turn to the East bloc.

## FINNS HOLD TRADE TALKS WITH RUSSIANS IN TALLINN

Helsinki SUOMEN KUVALEHTI in Finnish 6 Jul 79 pp 30-33

[Article by Tuomas Keskinen: "Work Trip of the Trade Heroes"]

[Text] "Trade it is that makes the wheels go 'round," says a Finnish proverb. Trade does not take place unless it is practiced and promoted. Finnish-Soviet trade was promoted for four days and two nights in Tallinn.

Billions of markkas and rubles, hundreds of thousands of jobs, and many other matters are under consideration when more than 60 Finnish and Soviet high-level economic relations decision-makers sit down to the same table two times each year.

The Permanent Finnish-Soviet Joint Commission on Economic Collaboration is then in session.

The Soviet Union has similar commissions with tens of other countries, including the large countries of the West. But not a single one of them operates as well as this one, according to Minister Nikolai Patolitshev. The Finns sailed across the Gulf of Finland on the icebreaker Urho whose high command bridge then governed the profile of the Tallinn harbor for four days. The Urho became one of the symbols of the Tallinn meeting and it was frequently mentioned in toasts and in impromptu jokes.

At the dinner honoring the Estonian SSR, Minister Patolitshev mentioned the SALT II agreement just then concluded noting that it promotes the preservation of peace. That in turn guarantees a continuing need for ships and icebreakers.

"We shall order more of them not expressly for visiting, for icebreakers have other tasks as well," he quipped. Nonetheless he followed the presentation about the Urho with interest.

The Finnish delegation was led in accustomed style by Ahti Karjalainen who has been equally permanent a chairman as Politshev, namely, during the

entire existence of the Commission, since 1967. Karjalainen was then rated highly in Tallinn, as he is always in the Soviet Union.

Jokester that he is, Ahti was hard put to match the crackling humor of Patolitshev in the afterdinner speeches. Nikolai Semyonovitsh is a master at situation comedy. He does not use prepared jokes--he invents them as he goes along.

The leadership of the Finnish delegation included Esko Rekola, the new minister of foreign trade in the new administration in Finland, for whom the operations of the Commission are not new. He was part of it years ago as a representative of the VR [Finnish State Railways]. As a Finnish foreign trade leader he can now attest that everything went according to plan in Tallinn.

#### **Kostamus Justified**

Nothing sensational must be expected from the proceedings of the Commission meetings. The details of these will be covered later in the news. But the Commission is involved in all aspects of the operations. It acts as a feeler for new ideas, some of which are rejected and others are accepted for further development and eventual application. The work agenda includes also the supervising of the carrying out of the basic agreements and the trade agreements.

The supervising of the carrying out of the economic program extending to 1990 that was undersigned by Urho Kekkonen and Leonid Brezhnev, as well as the adjusting and revising of it, has been delegated to the economic commission.

Chairman Karjalainen stated that the intention is to extend the program during autumn 1979 for another 5 years.

Patolitshev considered that discussion of the Kostamus Phase II and Phase III was "justified" from the Finnish point of view. Section III of the Svetogorsk project is already under trade negotiation, and there was discussion also of the new phases of the Paajarvi project.

From the viewpoint of the Finnish builders, the large work projects are progressing satisfactorily toward completion.

At the signing of the minutes Minister Patolitshev directed his remarks to future major projects. Before that though, he praised the quality of the collaboration with the Finns in these terms:

"We do not have experience as rich as this with any other country. The collaboration on projects is of the type that exists nowhere else."

"After completion of the current projects discussion must be directed toward further collaboration. We are thinking about projects that are far removed from our common boundaries. That brings up new problems. We must already now give thought as to how they may be resolved," he said.

He put the following question to the Finns: "What is to follow completion of the Rautaruukki and the Loviisa power plant projects?"

#### Machinery Trade To Gain Momentum

Minister Patolitshev spoke also about the reorganization in the Soviet Union of collaboration between the Ministry of Foreign Trade and the various industrial ministries.

The Central Committee of the CPSU has already adopted a resolution according to which a person responsible for foreign orders and for maintaining liaison with the Ministry of Foreign Trade will be appointed for each of the industrial ministries. The same will apply to the foreign trade groupings that draw up the actual trade deals, in the style of the Finnish firms. The liaison persons will undoubtedly be at the level of deputy ministers. This system—which is not yet in effect—will initially apply only to Soviet trade with Finland.

Finnish experts have great hopes in regard to this system. It will unify the decision-making chain of command. The orders and inquiries will be studied all the more closely in the Soviet factories. It is hoped that this will improve the chances of Finnish products in competition with domestic Soviet products, particularly in respect to machinery and equipment. In an interesting speech in connection with the minutes Minister Patolitshev referred to the relations between his commission and the scientific-technical committee thusly: "We and the leaders of the scientific-technical committee agree that closer and more effective coordination must be achieved between the work of the commission and the committee."

Many of the Finns agree that transferring some important functions from the overly large scientific-technical committee to corresponding elements of the Commission will eliminate needless duplication.

The forest products and the mechanical wood processing industries, the cellulose and the paper industries, and the chemical and electronics industries are now on the agenda for this consolidation. This matter must now be set afoot in Finland as well.

#### Large-scale Trade from Toolse?

The official joint sessions of the Commission progressed almost like dialogs between Chairman Karjalainen and Chairman Patolitshev. All of the work was done in five work groups and secretariats.

The greatest pressure and actual workloads are borne by the two general secretaries, Aaro Ikonen and Yuri Piskulov, the moving forces in the economic relations. They are much in the forefront.

The leaders of the work groups had exceptional opportunities to meet their counterparts outside of the regular meetings. The old and new hopes of both sides were discussed in encounters that occurred in the sauna, at receptions on the icebreaker, or at dinner occasions.

The leaders of the chemicals work groups, namely general manager Yrjo Pessi and deputy minister Y. F. Vlaskin, received special thanks from Minister Patolitshev for their work. They drafted the framework of a long-term work program. The trade in that field is increasing uniformly and the prospects are promising because the chemicals industry is the most rapidly expanding field in the Soviet Union under the current 5-year plan.

Manager Pessi's objective, in addition to increased trade, is Kemira participation in the exploitation of the vast phosphate deposit in Toolse, Estonia. The Finns could participate in both the planning and the carrying out of this gigantic mining operation. The best that can be expected, however, is trade in the magnitude of that existing with Kostamus.

General manager Erkki Vaara is leader, on the Finnish side, of the vitally important energy work group. He said that a new field of Finnish endeavor in the Soviet Union could be the organizing of energy conserving operations within the limitations of the known energy resources and reserves.

This is not a small task in a country as extensive as the Soviet Union which thus far has been literally overflowing with cheap energy.

The problem in respect to the 1000 megawatt [as published] nuclear energy generating plant is the drafting, during 1979, of an agreement concerning a suitability plan. The order for the new powerplant is a separate matter and that will come to the fore in 1982 at the earliest, according to Finnish estimates.

The increasing of the transfer of natural gas from the Soviet Union to Finland is closely allied with the importation of energy. It is now being spoken of in terms of expanding the network and of price on the basis of short-term business economics.

It appears that by the end of the 1980's the talk will no longer be concerned with the price, although that too will be important, but rather with whether or not natural gas was being imported at the turn of the decade. The final opportunity to make the decision about expanding the network and increasing the importation of natural gas appears to be at hand. Soon it will be too late to make that decision.

There is diverse demand in France, the German Federal Republic, and in Italy, all the way up to governmental levels, for increased imports of natural gas from the Soviet Union, and for the extension of the current agreements.

"It is premature to ask anything about increasing the oil shipments," was the response of Minister Politshev to an inquiry by Suomen Kuvalehti. The Soviets say that it will be easier for them in the future to ship gas to Finland than it is to ship oil.

If the importation of gas does not increase, and if the importation of oil decreases in proportion, then all trade will diminish, including exportation from Finland.

Manager Bengt Pihlstrom of the Center for the Promotion of Tourism stated that the Finnish objective is to increase tourist movement through the Saimaa Canal by replacing the canalboat roundtrip by a combination of motorbus and canalboat transport. That way the excursion to Viipuri would be shortened by two needless overnight stops, resulting in a notable increase in the number of participants, and the capacity could be increased to conform to the participation.

Manager Pihlstrom has already had discussions with the Soviets about the opening of a new tour on a route covering northern Finland--Murmansk--Petrozavodsk--Leningrad--Helsinki. The means of travel could be by train and motorbus.

The importance of the role played by Soviet group tours to Finland continues to grow. Soviet tourists already provide a firm source of income for Finnish hotels.

Acting General Manager Panu Haapala of the Finnish Railroad Administration was in charge of transportation problems at the Tallinn conference. At the top of his list was the establishing of a motor vehicle route to Central Europe by way of the Baltic countries. Trucks and tourists with their vehicles would be carried by barge from Helsinki to Tallinn and from there onward by highway, returning similarly.

The only known obstacle remaining in the way to open such a route is the lack of motor vehicle service facilities along the route, as the highway now is practically in condition. When this route becomes usable it will be of great importance to the trade and tourism between Finland and the small SEV countries. The shipments will become more speedy and less costly.

Manager Haapala has many other items on his list, such as the opening of regular motorbus service between Helsinki and Leningrad, the adding of a dining car on the Helsinki--Moscow train, to say nothing about the shortage of enclosed freight cars in the railroad transport between Finland and the Soviet Union.

Much has been said about the joint export of projects to third countries. The talks were speeded in Tallinn by the creating of a temporary work group within the Commission to handle this matter. The Finnish side in these talks will be headed by Sakari T. Lehto.

The Soviet Union current has about 700 projects in progress in various parts of the world. Some of them consist of development aid projects. Finland has contributed products totaling 60 million markkas in value to such projects. The objective now is not only to increase the contributions to these small-scale projects, but Finnish participation also in the large projects.

Because of foreign exchange policy reasons arising from the method of payment, the countries involved are mainly oil exporting nations such as Libya and Iraq.

#### Worthwhile Trade

Because of the regulations currently in force, trade between Finland and the Soviet Union increases automatically, in pace with inflation in Finland and with the rise in the world market price of oil. It is the duty of the trade negotiators to see to it that the growth of the trade will not remain dependent on this automatic aspect.

The good personal relations existing between the business economists of each country offers an excellent opportunity for attaining that end. They also make possible forthright and truly honest discussion about even the most knotty problems. They make it possible to bestow favors upon a neighbor when competitive bidding is otherwise equal.

That probably is what executive manager Lauri Kirves had in mind when he told chief M. V. Cubanov of the commercial delegation to Finland the following in the sauna aboard the Urho: "We favor you at the expense of trade with the West, if that is at all possible."

The same can be said in respect to the Soviet Union. There is in Moscow a group of highly placed persons that is playfully called "The Finnish Club," because they are particularly familiar with Finland.

It is said that it was this "Club" that resolved the latest contract for the construction of a large hotel in Leningrad in favor of the Finns in preference to the Swedes, although the latter had all the needed equipment at hand.

When the negotiations for the Kostamus contract were at their highest pitch and the pressure was at its greatest, the following exchange took place: "We are having you build Kostamus for us only if it is advantageous to us," said Patolitshev. "We are building it for you only if that is advantageous for us," said Karjalainen. And that is the way trade must always be.

COUNTRY SECTION

BELGIUM

FDF's HAVELANGE INTERVIEWED ON PARTY POLITICS, DOMESTIC PROBLEMS

Brussels LE SOIR in French 17 Aug 79 p 2

[Interview with Pierre Havelange, FDF deputy, by C.-L. B.: "Portrait Gallery --Pierre Havelange, FDF Deputy, the Future and Computer Technology"; date and place not given]

[Text] Deputy Pierre Havelange has just returned from Surinam. A special parliamentary committee, led by president of the Senate Robert Vandekerckhove and vice president of the Chamber Gustaaf Boeykens (replacing M. Nothomb), visited this equatorial republic of 300,000 population on the upper edge of South America. In Paramaribo, the capital, the Belgian delegation talked about bauxite, which is running out, about rice, which is hard to grow, and about dams, to be built with hypothetical foreign money so as to improve the yields from this former Dutch land. A single hotel in the town, a good one. And a single amusement, of French origin: a visit to the nearby prison where Papillon carved out a literary vocation for himself.

By virtue of a framework agreement signed by our Technical Cooperation, the sending of teachers has been agreed on for an initial phase.

Pierre Havelange is an FDF [Democratic Front of Brussels French Speakers] deputy: "We are in favor," he says, "of action in Surinam, on the same basis as in the French-speaking countries. We will not be accused of imbalance."

Pierre Havelange is also chairman of the foreign trade committee of the Chamber. Few junkets abroad. But a desire for very close contacts with the Belgian industrial sector. Visits to firms in all the regions of the country. Opportunity given to the owners and managers to present their problems to the deputies who are to judge them. "There is," he says, "a world of misunderstanding between the businessmen and the foreign trade committee. The financial difficulties cannot obstruct a well-understood and well-conducted export policy.

The deputy from Brussels is well-informed about the situation. A lawyer, he deals as a specialist with the dossiers in which the firms show their tricky, sometimes perilous, course.

### The Freedom of the Father of a Family

He is 53, and was born in Marche-en-Famenne. His parents moved to Brussels. Humanities at the Robert Catteau Athenaeum. Law at the ULB [Free University of Brussels] after the liberation and voluntary enlistment in Great Britain. Admitted to the bar in 1949. Had practical training in the United States in 1951, in a law firm specializing in the commercial field.

A cautious approach to politics, in the 1960's. And by way of a detour.

Today, then, Pierre Havelange is a deputy from Brussels. He is also alderman for finance and the environment of the Brussels metropolitan area. He is a director of the Credit Communal de Belgique, "the only representative of the Brussels communes on the 11-member board."

His arrival in politics? "By way of Liberalism and...Pierre Descamps." It was in 1964.

"I had my office at the Centre Rogier. One day, the PLP [Party of Liberty and Progress] Senator Descamp, a neighbor, suggested to me an action in Saint-Josse-ten-Noode, against the Socialist Guy Cudell. The communal elections were close at hand, and the local Liberals were making up their list. It was quite a problem to get myself accepted. I finally got the last place, to conduct my campaign as I saw fit. Defending the freedom of the father of a family, I got enough preferential votes to best a pack of candidates and get elected."

As a communal council-member in Saint-Josse, he also created in 1964, with Pierre Van Halteren, the Club Roger Motz. Liberal doctrine and action. In the legislative elections that followed, Pierre Havelange, in 13th place, was not elected on the list of the PLP of Brussels, which put in 11 deputies. A great success.

"A success which, however, was misinterpreted by the party leadership. Omer Vanaudenhove refused to admit that the Bruxellois had voted on the linguistic problems. He boasted, for his part, of the rallying of the middle classes."

And next, Pierre Havelange reproached the Liberals associated with the vanden Boeynants government for accepting the decrees (administrative and school-related) in application of the 1963 laws, which, especially in the capital and outlaying areas, tended to harden some situations unfavorable to the French-speakers.

### The Place of Roger Nols

At the beginning of 1968, the PSC [Christian Social Party]-PLP government, which had put the linguistic problems into deep-freeze, fell on the issue of "Flemish Louvain." And after the dissolution, more and more attention was given to drawing up the lists of candidates.

"I had decided to make myself available. At the time, I was on a winter vacation."

Yet the turning-point dates from that time.

"I had barely got back from the snow when, one evening, I received a phone call from Roger Nols, a disappointed Liberal like myself.

"It was proposed to me that I move over to the FDF. I was to be assured a place on the slate of candidates for the Chamber, after Defosset, Laloux, Boon and Outers.

"Better yet, Roger Nols, ranked fifth, proposed to yield his place to me, going into sixth place himself.

"Do you know many politicians who would have done that?"

The outcome was the election of Pierre Havelange. Roger Nols was not elected, and had to wait for the following round.

The fifth FDF deputy is no longer a council-member in Saint-Josse-ten-Noode. He set as a condition for his coming into the new part the right to resign from his communal office. Which he did.

"The welcome into the FDF was a warm one. I met again in it a former university friend, Leon Defosset, whom I had met in the ULB immediately after the war.

"In the party, I also immediately established solid bonds of friendship with Lucien Outers and Andre Lagasse.

"I add that the political event that marked me most was Paul-Henri Spaak's appeal, in 1971, in favor of the FDF."

#### The Place of the Liberals

It is sometimes said that the former Liberals feel ill at ease in the FDF. That they are cleverly bullied. That at decision time, their opinion counts for little. That they count in the FDF only on a temporary basis, and always have a return ticket in their pocket.

"Entirely false, obviously--and in every way.

"If you are not consumed by ambition--and if you were, you would be frustrated --you change parties, not ideas. And all ideas are respected in the FDF, their defenders are listened to, and their influence is equal to that of the others.

"I do not have to hide my ideas, they are known. I have stated them, repeated them, detailed them. In congresses and under questioning. In speeches, 'letters,' articles.

"I have said, in particular, that only federalism will prevent the splintering of the Belgian state.

"On the socioeconomic level, I have come to the defense of the idea of structural reform in the monopoly industrial sectors and in the cartelized sectors. Moreover, I am in favor of a free-enterprise economy and of the right of initiative.

"Like Jacques Rueff and Alfred Sauvy, whose works I put into practice conscientiously, I say that relations between the workers and capital must be reformed through participation."

The book of history he has read most recently: Pierre Chevalier's "Louis XIII." An excellent king, a bit withdrawn, full of good sense and discretion.

But Pierre Havelange, in the name of good sense, comes back to the subject of the Liberals.

"Do you believe that Basile Risopoulos, who has just joined us, could be a man who accepted even the idea of not expressing himself entirely and effectively in a party?"

"We were active together at the time of the Club Roger Motz. Our political careers started at the same time. Our relations were very close during the period of the victorious but criticizable PLP. Then, by different routes, each of us decided that he had to find himself again in the FDF."

#### The Choice of Computer Technology

A biography or brief portrait of a politician, of a man in the public eye, often has the drawback of bogging down in secondary details, even tertiary ones when the story extends at length over a youth which does not have much to do with the evolution of important current reality or the preparation of a concerned future.

Pierre Havelange now questions himself about the future.

"I am a member of parliament, and therefore on the national level. Certain abilities would doubtlessly orient me toward the regional. The choice can be an embarrassing one."

He has turned also toward computer technology. Within the framework of the metropolitan area, an organism functions and scrutinizes the problems of good public management with the aid of electronic techniques, it develops the outlooks for the environment, it determines the choices intended for the comfort and well-being of the population. "A certain responsibility," he says, "for the Brussels region. And Minister Defosset is perfectly aware of this."

His profession as a lawyer, his life in politics where nothing is incidental, the meetings, to fill the hours of an often extended day and the pages of his calendar. Other occupations? Relaxation?

"I would consider my position on the board of the Credit Communal almost as a permanent recycling; it fascinating work, with its meetings every 15 days and the view it gives of the financial evolution at the national, inter-regional and communal levels.

"For the rest, I read, usually history.

"I am also very devoted to friendship. And the most pleasant regular meeting is with my friends from the ULB, including Henri Neuman, Jules Wolf, Paul Lejour. We call our group 'the bald noses,' and its philosophy, although slightly outmoded now, is 'epicurean and gastronomic.'"

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CSO: 3100

**NEW VU LEADERSHIP PURSUES AGGRESSIVE REFORM POLICY**

Brussels KNACK in Dutch 11 Jul 79 pp 16-19

[Article by Jos Grobben: "The VU (People's Union) Is Not Drained Dry Yet;"  
passages in slantlines printed in italics]

[Text] First there was Egmont, then the first election defeat, next the troubles with respect to the chairmanship of Hugo Schiltz, then the Euro-defeat, the less important resignation of the party secretary and finally Schiltz' leaving. If the People's Union wants to put a stop to this black series, it must be done now, otherwise the emaciation of the party will become a fact. The new party administration meanwhile is prepared to fight for self preservation, for a renewed Flemish national party.

While the BSP [Belgian Socialist Party] members of parliament are once more reprimanding their comrade Henri Simonet in connection with his Zaire policy, most representatives and senators clearly are thinking of the sun, the ocean, the mountains and vacation. The fact is, in the past parliamentary year there were not only two undermining elections plus another government crisis, which should be counted as one of the longest in the entire Belgian history, but also, controversies originated in all political families, which however did not have an immediate influence on the party executive.

Everyone thus clearly needs a vacation and not lastly the People's Union, whose mandatories may reflect on the future of a Flemish national party while away. The resignation of Chairman Hugo Schiltz has corroded the morale of the troops to the degree that after a short as possible catharsis, one should immediately start giving thought to a re-orientating and re-grouping. Not much original political thinking has been furnished thus far by the new party administration, but that is due almost exclusively to the time factor. Nevertheless, in September that administration will have to come up with a thoroughly structured party program, full of wise lessons from the past.

/Less pragmatic, more radical, more clearly profiled and non-conformist,/ that is just about the basic terminology of Jaak Gabriels, Jef Maton and Vic Anciaux, the threesome which for the time being is to put the VU back on the track. First and foremost one has to argue away the bitterness of a few highly regarded party members who did not let the sometimes unjust reproaches of their outgoing chairman just flow over them. Only then can the reanimation of the base be launched, and finally in the third place will come the re-uniting of the Flemish national party with the Flemish movement.

### Neglected Signs

The fact is that some discrepancy has grown between the party and the movement in the past years. In the past the People's Union was quite successful in being the light of such a movement, except for a few weaker periods. The schism which however grew between them came to light more and more clearly during the past years. Neither the leaving of someone like Lode Claes, for example, nor the establishment of a Flemish block or an anti-Egmont committee are relevant in that growing apart, but what is relevant is the often not clearly noticeable dissatisfaction of the entire Flemish socio-cultural sector. The originating of an anti-Egmont committee and of a Flemish block may be indicative, but the proof that something is going wrong is in fact only furnished when all those movements, organizations and associations openly preach revolt.

Incomprehensibly, those significant signs have been totally neglected in the last 2 years by the VU -- or is it Schiltz plus his supporters within the party administration? Of course it is true that the policy outlined by the outgoing chairman was not offered any chance of survival, or at least was not given sufficient time, but it continues to be curious that the VU is giving thought to evaluating objectives, tactics and strategy only after two electoral thrashings. Meanwhile one matter is clear to the new party administration, namely that the People's Union in the immediate future must master the theses of the Flemish movement, which cannot be done without sweat and tears, for those theses often are difficult to handle by party politics precisely because such a movement does not carry any responsibility.

The People's Union thus is becoming more nationalistic again, more radically Flemish. That does not imply however that the VU is simply degenerating into a verbal Flemish opposition again, into a mere language party. Those who know the history, according to spokesmen, know that Flemish nationalism is inseparably linked with social- and economic problems, and those who know parliament, says Anciaux, know 70 percent of the subjects dealt with there consist of that socio-economic lot of problems. The party, in other words, urgently needs a firm program in which Flemish nationalism is not the only line of action which is developed. Thus an individual social profile will have to be designed which starts from that basis and which is in addition radical- and non-conformist enough to be able to close the ranks again. The details of such a profile have by no means been

determined, everyone within the VU has his own opinion on that and the party still has time until September to come to a uniform, coherent vision.

In this context Gabriels mentions, for example, the struggle for the environment and against accumulation and the disintegration of society, Maton talks mainly about a true economic program and Anciaux about a new front-forming and revision of the deeply engrained subsidy policy.

All those however are only partial components of that new VU profile. Two main troublespots nevertheless readily get out of hand: concern for a /transparent/ policy and realization of a broad front. That transparent policy signifies for the future VU amongst other things that all social privileges must be eliminated and -- according to the three -- those often have grown out of syndical actions. The new party administration nevertheless admits that the unions have delivered good work in the past and that today also they may not be omitted in a modern society.

Through their actions, however, a number of attainments have grown into privileges and there things have gone wrong now. Added to that, thus claim the three spokesmen who do not want to be pictured, however, as anti-syndicalist, is the fact that various unions have developed in an all but democratic manner. They say that within those organizations one can hardly speak of real elections and that in practice it is very difficult to vote the leaders out of office. Finally they are bothered by the fact that those are associations without corporate capacity which annually juggle around millions of francs, for which they scarcely have to render account.

It is however not only the unions, but also the employers' organizations and furthermore that entire, very colorful gamut of pressure groups which very urgently have to be put in their place. The VU admits that these lobbies which are so common in political life have every right to exist, but there is a clear difference between expressing an opinion and the decision-making right. That expressing of opinion can even be broadened by, for example, an alternative method of organization of all those pressure groups, but the final /authority of decision/ must remain in political hands exclusively.

And then that broad front. With it in the first place one is aiming at a re-grouping of the Flemish movement and a recuperation of the lost electoral following. But the new party administration wants more, wants to enthuse the youth for the Flemish ideas, is eying the lower cadres, the non-organized workers, and the breaking up of the social disintegration is pre-eminently one of the means to that end. The searching for an opening in which the leftist-, rightist- and middle-of-the-road terminology is carefully avoided, now in fact runs involuntarily parallel with the /Breakthrough '79/ campaign of seven or so BSP members. The VU does not fear that competition, however. Even to the contrary, within the party it is assumed that the People's Union, because of not being tied and because of the fact that it is not afflicted with compromises from the past, has, as it were, better chances to cope with that task of undoing the disintegration.

## Draining Dry

When the VU however concluded the Egmont compromise, it was perhaps the most extreme agreement the party could ever have sought. It was just as if the PVV [Party of Liberty and Progress] would sit down at the table to speak on nationalization of the banking sector and the CVP [Social Christian Party] on complete liberalization of abortion. That comparison is perhaps a little exaggerated, but the Egmont compromise, the government participation, did indeed act as a seed of disruption within the party and thus the VU is not as devoid of compromise as the new administration would have it appear. But on the other hand one could state of course that every other Belgian political formation has accepted various interim solutions and that in theory the VU possibly /can/ perform as one of the most non-conformist parties -- certainly from out of the opposition.

Whether the VU must become a so-called /whipping party/, a catalyst for everything which manifests itself within the Flemish movement, or a true policy party, has by no means been settled. The fact is that the Hugo Schiltz problem did not lie so much in the appreciation of the accepted government accord as in the view that the VU ought to go over to actualization as rapidly as possible. A majority within the administration meanwhile was already of the opinion that such a strategy was less attractive and only history will be able to decide who was right. A second government accord along the same lines of action as the first plan, which was disastrous for the VU, now would be unacceptable according to the new party administration. Not only because the following has expressed its dissatisfaction via the voting booth, but primarily, according to the administration, because it appears clearly from materials from the past year that Egmont has been completely overtaken. /Brussels as a third region is unacceptable to those who give serious thought to the future./

But with that the dilemma of whipping- and policy party is by no means over with. Participation in policy or in opposition is written off these days by the VU as a goal in itself. The standpoints which the party wants to acquire in the future, must be applicable and must not be drawn up from the viewpoint that with these propositions or those you can participate or be automatically referred to the opposition benches. It is furthermore an established fact for the new administration members that the VU will not bleed to death. Even in a federal Belgium the party will not end up on the rocks because also then a specific program can be enforced, one with the much-praised individual social image and on the basis of the three pylons: independent, radical and non-conformist.

## The VU After Schiltz

Within the VU there are actually only two people who have a good chance of succeeding Schiltz: Vic Anciaux (48) who is clearly the favorite, and Jaak Gabriels (36). Neither one belongs directly to the left- or right wing of the party, to the extent one can still talk of that.

Anciaux however has the advantage that he is a known figure within the People's Union and that he is already widely known outside of the party as former secretary of state for Dutch culture and as chairman of the VU parliamentary group. Gabriels is not as well-known to outsiders. In 1974 he was the VU leader in the Limburg provincial council. In 1976 he convincingly unseated the CVP in Bree and became mayor and in 1977 he became a representative for the first time. As a member of parliament he puts rather a lot of energy into Limburg problems and he stood out especially with regard to environment, public transportation and the Voer region.

To start with, the new administration is aiming at a little more loyalty, a little more discretion. Although it is always difficult for People's nationalists to run the show together, the new administrators expect decisions which have been made to be unanimously defended outwardly, without there having to be explicit talk of something like party discipline. The croaking of someone like Wim Jorissen and Jef Valckeniers, who lets the cat out of the bag more often than benefits the party, in the past was anything but informative for the already crippled following. Freedom of opinion within the party has too often been a cloak for unjustified solo performances.

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## EFFECTS OF MBFR ON FRG SECURITY, POLITICS DISCUSSED

Bonn DEUTSCHE ZEITUNG in German 3 Aug 79 p 8

[Article by Hans Reuhle: "After 6 Years of MBFR Negotiations in Vienna  
a Treaty in Sight--A Special Role for the FRG After All"]

[Text] Outlines of an agreement are visible in the negotiations concerning mutually balanced troop reductions in Central Europe. They are giving rise to the greatest reservations.

If, at present, people everywhere in the FRG are again writing and talking about the Vienna troop reduction negotiations (MBFR), it is not only because in the context of the worldwide debate over SALT, arms-control policy questions are very popular. From every crack in the otherwise fairly tightly woven net of international arms control bodies, there have been signs for weeks that something is going on behind the scenes. Cryptic hints from actively interested politicians do more than necessary to indicate progress in the arms control talks in Vienna, which have been stagnating since the first day of negotiations.

And, in fact, there is not only something stirring in Vienna, there are visible outlines for the first time of a treaty which is viewed as seriously negotiable, at least by the participating countries. Interesting and at the same time significant for the actual arms control business is the fact that the "breakthroughs" were not reached at the bargaining table but rather in bilateral discussions. Those discussions were not, however, conducted between the two superpowers, as one would suppose--they have been documented in the meantime in an article by Richard Burt in THE NEW YORK TIMES of 9 May 1979--German-Soviet discussions must also have taken place on the subject.

This becomes clear when one seeks the origin of the proposal which Chancellor Schmidt introduced, ostensibly unintentionally, into the Bundestag debate of 9 March 1979--that within a combined maximum strength for the two alliances, no nation should be permitted to supply more than 50 percent. The 50-percent rule, which was originally introduced into the discussions by the Soviet Union, was categorically rejected by the

Western delegations in Vienna. As late as summer 1978 in a final public report on the 15th round of the Vienna talks, the leader of the American delegation, Dean, rejected the 50-percent rule as inappropriate. It was therefore no wonder that not only the American negotiations leader but also all Western delegations were surprised by the thrust of the German Chancellor. And they were not the only ones. The competent authorities in the Bonn ministries, including the foreign minister, felt bowled over.

#### Bilateral Discussions

Perhaps the trip of Herbert Wehner to Hungary, which appeared to many observers to be so unmotivated and which immediately followed a visit by Kadar to Moscow, does indeed acquire significance in this light. But the latter is speculation--even if of a kind that appears legitimate in a context in which it is a question of preventing a special status for the FRG. After all, German negotiating coups which are based on Soviet ideas are not only unusual but are also cause for reflection--and not only for one's own countrymen. Anxious official and unofficial statements by our French neighbors, who apparently provided the information concerning German-Soviet activities in the area of arms control in Europe, make this clear.

The history of the Vienna negotiations was and is until today--at least officially--a diplomatic ping-pong game in which each side presents proposals which the other promptly declares unacceptable. Serious negotiations have hardly ever taken place because the margin for agreement on the opposing proposals was too small. In the language of the negotiation professionals: What was negotiable was not tolerable and what was tolerable was, in turn, not negotiable. Thus, the positions had not essentially changed since the beginning of the talks in 1973:

The West (FRG, Benelux), which is clearly inferior to the East (GDR, Poland, CSSR) in terms of ground forces in the area of reduction (current position: West, 791,000; East, 955,000) pressed for asymmetrical reductions from the start. The goal in the area of reduction was to implement a common ceiling of 700,000 men in each alliance. According to the principle of collectivity, each alliance was to determine within the personnel limits each nation's share of the force;

In clear recognition of its advantageous position, the Warsaw Pact pursued a different negotiating strategy. Viewing the existing balance of military strength between East and West as having "developed historically" and therefore as irreversible according to Marxist doctrine, the Soviet Union proposed percentage reductions. They also rejected the principle of collectivity. Besides the preservation of regional conventional superiority in Central Europe, what mattered most to the Soviet Union was gaining an influence on the size of the Bundeswehr by means of setting national limits. The fact that the Warsaw Pact refused for 3 years to give national or collective numerical data concerning its own strength, despite its

demand for negotiations on national military strengths, is not only striking from the standpoint of negotiating tactics; it also shows how leisurely the Soviet Union approached the Vienna negotiations.

For years, hardly anything moved in Vienna, even though the professional arms controllers here and elsewhere celebrated every barely perceptible change in the Soviet bargaining stance as a success. The Soviet Union believed it had enough time to be able to "sit out" NATO in a practical sense because it could hope that unilateral reductions in the Western camp would follow as a result of national decisions by Western European governments. The Soviet Union could feel justified in its position by the fact that several times the West delayed concessions and thus conveyed the impression that it feared national reductions on its own part and thus a continual weakening of its bargaining position. The Western offer of December 1975 represented a temporary end to this development when the West, in exchange for one Soviet tank army (1,700 tanks; 68,000 men), offered not only the withdrawal of 30,000 Americans but also unilaterally reduced nuclear systems.

Nevertheless, an erosion of NATO, which at the beginning was also anticipated by Western negotiators, did not occur. On the contrary. When the Carter administration declared the strengthening of the conventional components of NATO to be one of its fundamental points in the area of security policy, no one doubted any longer that the Western camp would stabilize. At the same time, the Soviet Union came under pressure conceptually. Insisting continually in the SALT negotiations with the United States on the necessity of implementing the principle of parity, the Soviet Union could hardly permanently reject the use of this principle in and for Central Europe. With its unique *chutzpah*, the Soviet Union solved the problem without delay. After it had previously rejected the principle of parity with regard to its historically evolved--but never numerically fixed--superiority, it suddenly acknowledged this principle in fact in the summer of 1976, but made it clear by publishing at the same time a strength of 805,000 men that parity in the area of reduction already existed in practice.

Since this time, the Vienna talks have consisted of what is so dangerously and innocently described as a "discussion of data." Those who, like many prominent members of the social-liberal coalition, degrade the Western "fly leg counters" of "pea counters" in Vienna to the level of apparently politically stone-dead "experts" have not comprehended--or do not wish to comprehend--that with the chess move of the Soviet Union of accepting parity but using false data to maintain that parity exists, the discussion of data has become the essence of the negotiations, the actual object of the bargaining.

This discussion of data is still going on today. One hardly strives for accord. Today as before, the Western estimate of the military strength of the Warsaw Pact is 150,000 men higher (if the air forces are included, it is 180,000 men higher) than the figures supplied by the East. Nothing in this is changed by the fact that through a modification in the numerical

categories, 70,000 Polish and Czech ground-air defense personnel were "transferred" from the army to the air force, and 20,000 East bloc helicopter personnel were "transferred" to the ground forces. In NATO's estimation, the negative balance of 50,000 men in the ground forces is offset by the number of soldiers which the Warsaw Pact has added to its armies since 1976.

The room for play in the discussion of data has been exhausted with these new definitions of personnel in the area of the Warsaw Pact. And for a considerable time it appeared as though this disagreement on the matter of data, the extent of which was recognized early, would completely and finally block the discussions. Nevertheless, indications from the Soviet Union for the past few months were that the Soviet Union had reconsidered and was very interested in an agreement.

The reason for it was clear. Before the backdrop of a worldwide conservative trend, the Soviet Union had to fear that in the foreseeable future it would not be able to count on two so willing and easy bargaining partners as the Carter and Schmidt governments, for whom arms control had meanwhile become a fetish. Thus, it signalled that the question of data was no insurmountable barrier--which led to the acceptance of the data which had been presented by the West--if a ruling could be found which would enable it to abandon its military strength statistic of 805,000 without losing face. And this solution was found. Then the following agreement was outlined in Vienna:

In the first phase, American and Soviet ground forces would be reduced in a ratio of one to three (presumably 15,000 American and 45,000 Soviet soldiers);

Determination of a common limit of 700,000 men for both alliances as a goal of the agreement;

Agreement of the non-American Western participants to substantial reductions in the second phase of the agreement. In Phase I the FRG would agree to and announce a reduction in the Bundeswehr of 25,000 men. In Phase II it would be implemented;

Agreement that no participating nation would be permitted to supply more than one-half of the troops within the combined maximum strength;

An exchange of data would take place only at the end of the phases when the reductions would be verified by ground or air/ground inspection of certain zones through which the withdrawing troops would march;

Agreement concerning the limitation of combined military activity outside of the garrison to 12 divisions for each alliance, to five divisions for national maneuvers and not more than five divisions from each nation in alliance maneuvers.

The explosive nature of such an agreement is not difficult to recognize.

The ruling that no participating country is permitted to furnish more than 50 percent of the total contingent would place a permanent ceiling on the Bundeswehr as the strongest army in the West. Even if the surrounding NATO countries were to reduce their troops based on national decisions, the FRG could only compensate for this up to a strength of 350,000 men for the Bundeswehr ground forces. Moreover, since the FRG would have to agree to a reduction in the Bundeswehr of approximately 25,000 men in Phase I, it could not avoid providing data concerning its national military strength--something which has been avoided until now.

Since the Bundeswehr currently has more than 340,000 men in the ground forces at its disposal, this meant a reduction of the German army to 315,000 men. That would not only be a considerable weakening of combat strength, but for the first time the Soviet Union, as a treaty partner, would also acquire an influence on the strength of the German ground forces. This would in turn be even more explosive, since the Soviet Union has already attempted several times to introduce a 45-percent or even 40-percent rule in place of the 50-percent rule.

What the Soviet Union wants to achieve here is blatant. Not only would a proportional tie between the Bundeswehr and the number of Soviet forces lead to a special role of the FRG in the area of reduction, it would also be possible for the Soviet Union to force symmetrical disarmament steps by the German ground forces through additional withdrawals of their own ground troops. However, while the Soviet "reductions" would in fact only be withdrawals from the area of reduction, the FRG units would have to be demobilized and the American troops would have to be transported 6,000 kilometers over water and air routes. Thus, the Eastern potential could effortlessly be rebuilt in a crisis or conflict situation, but for the West it would be either impossible or possible only after a very long start-up time.

#### Campaign Slogan '80

The creation of a zone of limited troop movements in Central Europe would benefit the Soviet Union in that its forces are stationed in the area of reduction so that they require no deployment to get into position for an attack. Moreover, while the Soviet Union could completely deploy the second echelon, which is stationed outside the area of reduction, military movements by the strongest Western army, the Bundeswehr, would be restricted to a maximum of five divisions. And the Bundeswehr--like the armies of all other NATO countries--would have to undertake considerable movements in a crisis and conflict situation because of its unfavorable deployment, in order to reach the combat area.

The treaty in general and the national reductions in particular could not be verified without constant control mechanisms. If, in this regard, the Eastern proposal to erect ground bases along the border and inside the Western area of reduction would be approved, the Soviet Union would still have achieved a demonstrative military presence in West Germany, 40 years

after the end of the war. The consequences would not only be of a psychological nature, but the separation of the FRG from the rest of Western Europe and NATO would have begun.

If despite these recognizable outlines of a possible MBFR treaty, the delegations in Vienna again went home a few days ago without great pomp, without public statements and without documented success in the negotiations, there are certainly good reasons. First, there is indeed much to be clarified and smoothed before the breakthrough can be celebrated. Then, there are political reasons. Both Carter and Schmidt need success in Vienna for their election campaigns: Carter even if SALT II should be ratified, but even more if it should collapse; Schmidt in any case, because in view of the energy crisis and recognizable growing economic problems, the sluggish attitude of the omnipotent world economists would not be enough to guarantee an election victory.

What Schmidt and those around him are speculating about is the possibility of being able to go into the election again with a classical "Eastern treaty situation." The fronts would then be marked in terms of those who would either vote for or against a then present MBFR treaty. Since some allies, above all the Carter administration, would not be stingy with its soap coupons because of the urgency of this treaty, the opposition could only either agree and attest to the dubious negotiating success of the government or refuse, thereby subjecting itself to the risk of being branded a disturber of the international peace. In order to avoid both, the opposition would finally save itself with a "Yes, but"--that is, a "yes and no"--inasmuch as it would fundamentally hail the arms control talks but reject this specific agreement. The result could be foreseen--the example of 1972.

A prerequisite for the success of this strategy by the Schmidt government is, however, that the political debate concerning the agreement be postponed until immediately before the election. Because only then, in the heated election campaign phase when things no longer drag but are going full force, can the highly stylized fact which has become the focal point of the treaty be popularized--that the Bundeswehr could be reduced by 25,000 men while the Russian force would be reduced by 110,000.

#### Desire to Laugh Gone

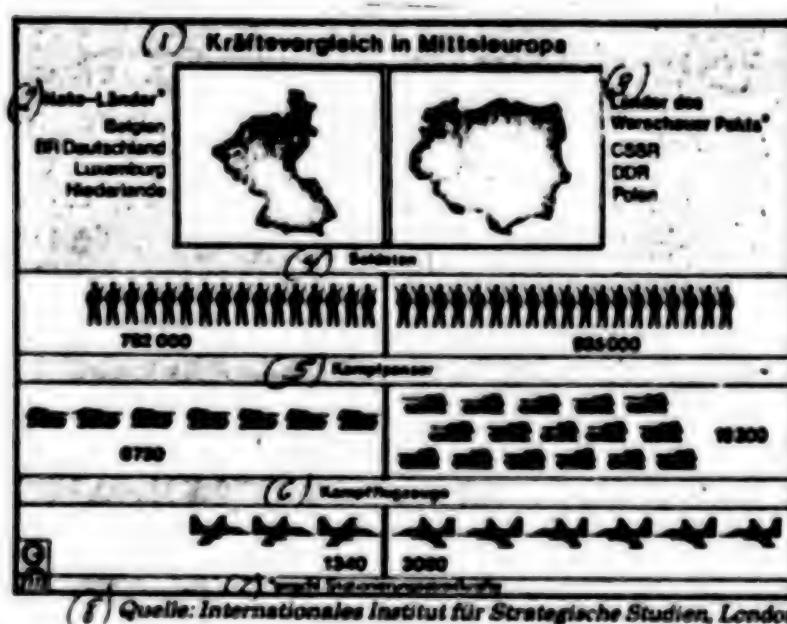
In the meantime, the word is that this might not be a pleasant situation for the opposition. But that is a difficult case. The government is eliminating the possibility of discussing the treaty in depth and exposing its weak areas in the next few months since it is acting, on the one hand, as if there were nothing to discuss in Vienna and, on the other hand, simply denying pertinent press reports. Thus, the only thing for the opposition to do is to look to the allies early.

The French, who have always rejected the MBFR, are the least problem. The British, who under Callahan still numbered among the progressives in Vienna, have clearly become cautious. The exact position of the Thatcher government on the issue of arms control is still uncertain. It might be decisive if it

is possible in the United States to build up a front against this treaty in order to be able to counter the expected disarmament offensive of Carter. It would be an irony of fate if Western foreign countries, which rightfully and vigilantly observe every Bonn movement toward the East, were to facilitate the domestic breakthrough of an agreement which would smooth the way for this special role.

The opposition might possibly have to pay for the fact that it did not promptly and fundamentally attack the unacceptable basis of the Vienna talks. It was clear to everyone at the beginning--or it should have been--that any treaty concerning troop reductions would be to the detriment of the West, since the Western reduction potential would be demobilized while the East would only have to withdraw 600 kilometers. And not only this. The approach in Vienna of counting heads is atavistic. It corresponds to a historical military epoch in which combat strength was expressed in the equation of one man to one weapon. Combat strength is measured differently today. Contemporary arms control policy can no longer consist in reducing personnel according to some key; it must strive to come to grips with military options.

As illusory as it appears and as hostile to arms control as it may sound, true disarmament or arms control will be possible in Europe only--and this corresponds to the French proposal--when the zone of arms control extends from the Atlantic to the Urals. Only then will the same security be possible for everyone. A couple years ago, the French were ridiculed everywhere for this suggestion. Since the possibility of a first has become something to be seriously reckoned with, some people in Bonn no longer feel like laughing.



[Key on following page]

Key:

1. Comparison of Forces in Central Europe
2. NATO countries\*
  - Belgium
  - Federal Republic of Germany
  - Luxemburg
  - Netherlands
3. Warsaw Pact Countries\*
4. Soldiers
5. Combat tanks
6. Combat aircraft
7. \*Including stationed troops
8. Source: International Institute for Strategic Studies, London

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## SPD-FDP REEVALUATE STRAUSS AS CANDIDATE

Hamburg DLA SPIEGEL in German 20 Aug 79 pp 27-28

[Article: "Election Campaign: Subdued Sounds"]

[Text] Lately, whenever Helmut Schmidt is among friends and confidants and the conversation turns to Franz Josef Strauss, he is wont to contradict himself. Just recently the chancellor assured Hans Mattheofer, his minister of finance, that it was not true that he had always looked upon the Bavarian as the "opponent he had hoped for."

The Social-Democratic head of government would like nothing better than forget the statement he made during an interview with the illustrated magazine QUICK in March of last year--at that time it seemed out of the question that the CSU chairman would be a candidate for the chancellorship: "It has become quite apparent...that as far as the opposition is concerned, Herr Strauss' opinion is more important than Herr Kohl's. Consequently, in keeping with political hygiene, it would be desirable...to inform the German citizens about this situation by nominating Strauss as a candidate."

The wish has been fulfilled; however, in the meantime the chancellor's one-time favorite has turned into a feared challenger of the social-liberal coalition.

Schmidt, who ordinarily is always self-confident, admits in small circles that he himself does not yet know what to make of Strauss. By no means must the CSU chief be underestimated, because he is currently making "very subdued sounds" in order to ingratiate himself with dissatisfied SPD and FDP voters. The faith in the hard core of FJS among right-wing supporters of the Bavarian will not be shaken anyway by the political behavior of their darling.

Hans-Dietrich Genscher, vice-chancellor and FDP chairman, agrees: "He has to be taken very seriously. I am not a simplistic optimist who believes that all that is necessary is to call out the name of Strauss and subsequently all the frightened voters will come running and vote for us." And Manfred Schueler, state secretary in the chancellery, also warns: "It will be no picnic for Helmut Schmidt."

The dream is over, that the Union would collapse from the consequences of the candidacy which was ruthlessly engineered by the Bavarians and their CDU accomplices. Upon their return from their summer vacations, irritated SPD and FDP election campaign organizers are trying to adjust to the new image of their opponent.

It appears that social-liberals are no longer facing a radical right-wing bully who always supplied, free of charge, an adequate amount of election campaign material with his noisy statements and unbridled outbursts of temper. When Strauss made his first appearance in Bonn's Bundestag as Bavaria's minister-president, he already disappointed all those who had expected the former fighter. Softly and tediously, statesman Strauss expounded on the statistics concerning world energy consumption and similar pressing problems.

Moreover, the candidate for the chancellorship is employing Christian tolerance toward all those in his ranks who are offering passive or active resistance to the new Union emperor. Even if his defeated rival, Ernst Albrecht, minister-president of Lower Saxony, should ultimately refuse to work with Strauss and implement the policy of the Catholic southerner in the Protestant north, Strauss intends to be tolerant. If this should be the case, an attempt is to be made to persuade Richard von Weizsaecker, a confirmed enemy of Strauss and friend of Kohl, to take Albrecht's place as a liberal symbol in the shadow cabinet.

Fritz Zimmermann, Strauss' deputy in Bonn and chairman of the CSU Land group in the Bundestag, prophesies: "In every respect, Strauss will be more moderate than his enemies are hoping for. That already applies now and it will apply in the future."

Herbert Wehner, SPD parliamentary group chairman, was the first person to warn of the temptation to speak during the election campaign "about the scandal-ridden life of an aging Machiavellian." He impressed upon his comrades: "Don't make a big fuss over the show-off of power and don't be slanderous either."

True to the motto of the experienced strategist, the first election campaign paper of the SPD central office advises against frontal attacks on the person of Strauss. Instead, the Social Democrats intend to try hard to remove the sheep's clothing from the wolf in a debate about real politics. First during the Landtag elections, and subsequently during the Bundestag election, the survival of the SPD/FDP government depends on whether they can convince workers and skilled craftsmen that Strauss is a politician who--in spite of all the tempting words--does not represent their interests but advocates a strictly conservative Union program.

The SPD and FDP must demystify Strauss, to whom Edmund Stoiber, CSU general secretary, attributes a singular gift. "More than any other CDU politician, he has the ability to attract taxicab drivers and charwomen; in other words, those people who would never vote for the CDU if it were not for Strauss."

Occasionally it is difficult for the idol of charwomen to live up to his new role, as was the case during an interview when Strauss spoke condescendingly about "servant-girl gossip." He has recognized, however, where the little people are the most vulnerable: their fear of the future. The Bavarian wants to lift from FRG citizens the fear that "the zenith of prosperity has already passed and that accomplishments cannot be retained" (Stoiber). He would like to persuade the voters that with Strauss as the chancellor the 1980's will experience rates of economic growth similar to those of earlier years.

To make liars out of pessimists on growth, nothing more would be necessary than to intensify investments by entrepreneurs and to increase the energy supply. According to Stoiber, "We will state clearly and unequivocally that the gap in the energy supply between 1980 and 1990 cannot be closed through conservation but only through nuclear energy."

Social-Democratic election campaign organizers are banking on the fact that they will be able to expose Strauss, who claims to be able to cure ills with his welfare concept, as a trickster and rhetorician. Helmut Schmidt's advisers are impressing upon him that he will have to take an energetic stand for energy conservation if he wants to convince the public that the Bavarian promises are unreliable. If the chancellor were to support speed limits and the construction of additional bikeways, if he were to demand that a fine be put on plastic containers made from petroleum, he would demonstrate with such symbolic acts even to the Greens that he has a better understanding of the signs of the time than his rival does.

Minister of Finance Hans Mattheofer has discovered another weak point in the Christian-Social performer of economic miracles. According to Mattheofer, "it is wrong to say, as Strauss does, that all that is needed is an increase in investments and after that all will be well." The Social Democrats and the labor unions should join one another during the election campaign and promote growth, even in view of the rising mass purchasing power among workers.

The Social Democrats hope, however, that labor representative Strauss will not look well at all once the gift wrap has been removed from the social package of the Bavarian. The reason is that behind Strauss' announcement of an inventory of the social network there is nothing but social dismantling; behind his renunciation of collectivist solutions and his preference for individual planning is the intention to eliminate, for instance, complete health-insurance coverage and make the patient again pay part of the cost of treatment.

Nevertheless, no matter how many contradictions SPD experts are discovering between the election promises and real intentions of the man from Munich, their defensive preparations are being complicated by incalculable risks in their own camp.

For instance, prominent Social Democrats are aware of the possibility that the liberal coalition partner, who does not want to be a mere second during the big duel, may lose his nerve. Even Chancellor Schmidt is afraid that the Free Democrats might move beyond their long-cultivated role as opposition in the coalition and toward the Strauss course with regard to economic as well as social policies.

## SPD CONSIDERS ISSUE-ORIENTED CAMPAIGN AGAINST STRAUSS

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 20 Aug 79 p 3

[Article by Helmut Herdes: "Resisting Temptation of Negative Strauss-Image Campaign: SPD to Avoid Personality-Oriented Confrontation"]

[Text] As early as the beginning of July, Herbert Wehner stated in a letter to his parliamentary group, the marching orders for the SPD election campaign against the Union parties and Strauss, their candidate for the chancellorship: "It would be a serious, possibly irreversible mistake if Social Democrats were to concentrate on talking about the scandal-ridden life of an aging Machiavellian, place a stake on counterpropaganda formulas in self-defense or doubt the accuracy of their own convictions." The subsequent parliamentary summer break, during which Strauss did not remain idle until he embarked upon his vacation just now, has been used by Social Democrats to look critically--apparently, some of them are even looking for help--at Schmidt's challenger. In the process, it was learned that many have apparently not yet decided how to confront Strauss.

When SPD Federal Executive Director Bahr returned from his vacation at the beginning of August, he found a summary of results of the mental exercises within the SPD leadership in a memorandum dated 6 August. It is the outcome of the so-called "Wednesday Round" discussions which take place in the Ollenhauer House, a circle whose function it is to tie together all the diverging and contradictory activities in the chancellor's office, the leadership of the parliamentary group and the party on the level of spokesmen and coworkers who are in charge of day-to-day discussions. Consequently, the following people participate: Schwartz, party spokesman; Henning von Borstel, in charge of the preparations for the election; Terjung, spokesman for the SPD parliamentary group; and Boelling, spokesman for the chancellor and his government.

The paper, which is the result of these consultations and which since then has been quoted several times, consists of two parts: first, a sketch of "perceptible outlines of the Strauss election campaign;" this paper is to be expanded to include more details of the next "chairmen discussions" between Schmidt, Brandt and Koschnik (after the Berlin party rally, perhaps Wischnewski). And, second, key words concerning the "assessment within the party" and about SPD "measures" which are currently "in effect" in the "pre-election campaign."

SPD analysts list the following "perceptible outlines" of the Union election campaign: those Strauss "characteristics" which in the eyes of the voters are "the most dangerous," his "political unpredictability and lack of self-control in critical situations," are to be smoothed over through "image-shaping ads" or through "political threats." According to SPD advisers, examples of "image-polishing" are the visit to Hungary by Strauss and the CSU faction of the Bavarian Landtag ("Strauss' Ostpolitik deficit"); demonstration of willingness to talk to union representatives ("Strauss' deficit among workers"); self-portrayal as a man "from simple circumstances" who has a better understanding of the "masses of simple people" and who knows how to deal with them ("Strauss' reliability deficit").

In addition, the study contains statements accusing the Union of using "intimidations and threats" against journalists who call attention to Strauss' past. Furthermore, "systematic announcements of approaching 'slanderous campaigns'" are noticeable. "The goal, apparently, is to make Strauss' past taboo from the very beginning in public discussions and, if possible, to move the discussions, at least temporarily, from the political to the legal realm.... Result: The goal, therefore, is to discourage or silence or incapacitate all those who write or talk about Strauss' past on one hand; on the other hand, a 'new Strauss' will be created who is supposed to make the citizens forget 'the old one' and all his failures."

In the opinion of the "Wednesday Round," the Strauss campaign will also make an attempt to appeal to those voters who tend to be "liberal" or "green" and "for whom Strauss, the 'strong man' and right-wing leader, could be a masochistic fascination in contrast to the predictable, correct Social-Democratic chancellor. According to SPD observations, the actual positions of the CSU chairman show contradictions. "On one hand, he is asking for a reduction in debt; on the other hand, he is demanding accelerated tax reductions. On one hand, he is calling for a greater role for the market economy; on the other hand, he wants to give billions in subsidies to the Airbus undertaking at the expense of taxpayers. He is against children sitting in front of the 'tube,' but he is supporting the introduction of cable television."

"Enclosure two" of the statement by the SPD advisers shows perplexity, but it also reveals two tendencies of reaction: One group wants to attack Strauss as a "man of affairs" and "dubious friendships," as a "brutal power politician and litigant." The other group prefers to take a wait-and-see attitude: They estimated that there was a greater risk involved in the demonization of the CSU chairman. The SPD advisers apparently intend to resist the "temptation" described by them in that manner "to portray the negative Strauss image in graphics and text." They see this "temptation" would be increased by commercial bidders, graphics bureaus and small agencies. It would promote a "series of duels" between Strauss and Schmidt; "Strauss' past and political background would thus be lost in darkness. The decisive political fact, however, remains untouched--the shift to the right within the CDU, which became obvious when Strauss emerged as the leading candidate." SPD strategists concluded: A "personality-oriented

discussion" would benefit Strauss. On the other hand, there is increasing pressure from within the party for appropriate measures by the party executive board: "The members have no appreciation for hesitation or even passivism."

As a countermeasure the SPD intends to adhere to facts. It states that "measures which are currently in process" are, for instance, "continuous recording of statements by Strauss about political topics and factual matters or CDU/SCU opinions on Strauss. The demand is very great for such information concerning the activities of the party chairman." All that seems to be an indication of reaction to Strauss rather than action against him. It is true, the 1980 election year has not yet started. It could be possible that by then the SPD would pull out all the stops after all: "Helmut Schmidt must remain chancellor."

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CSO: 3103

## INDUSTRIALIST INTERVIEWED ON ECONOMY, TAX POLICY

Hamburg DER SPIEGEL in German 27 Aug 79 pp 30-32

[Interview with Otto Wolff, president of Federation of Chambers of German Industry and Commerce, on the economy, wages and taxes by Wolfgang Kaden and Wolfram Bickerich at Wolfgangsee; no date given: "There Can Be No Tax Reform Before 1981"]

[Text] SPIEGEL: Herr Wolff, there has hardly ever been a time when there was as much uncertainty about economic development as during the summer of 1979. Do you consider yourself an optimist or a pessimist?

Wolff: As far as the rest of this year is concerned, I am certainly one of those who are saying that the year went better than we had expected at the beginning of the year. In other words: On a short-term basis I am an optimist.

SPIEGEL: And this will no longer be true for the coming year?

Wolff: According to present indicators, at least certain areas of economy will be in pretty good shape next year as well; there is quite a bit of activity in the capital goods sector. And because of long-range delivery terms, the consequences for next year are definitely positive.

SPIEGEL: Some economists are saying the opposite.

Wolff: Institutes are placing more emphasis on external threats for 1980 than the businessman, who is today evaluating the prospects for the next 3 to 5 months.

SPIEGEL: But the uncertainties already exist, for instance with regard to raw materials.

Wolff: I am thinking, above all, of threats to our exports, because political constellations are changing. The problems with Turkey could be anticipated, but not losses in exports to Iran. The turbulence in Southeast Asia not only affects Vietnam, but its influence is automatically felt in all the neighboring countries. China's entry into world politics is upsetting balances.

Wolff: In foreign trade there are higher risks for political reasons and also because of the recession which has set in in America. On the other hand, however, I am expecting better opportunities in the area of our classic exports.

SPIEGEL: Which ones?

Wolff: In spite of all difficulties, England is developing into a better market, also Italy or Holland. Trade with these partners can compensate for certain declines in the domestic market. I could imagine that the automobile industry, while experiencing a decline in domestic sales, could compensate through increased exports in Europe. In spite of dark clouds or recessionary trends in the United States or the East Bloc, there will also be positive factors. I don't know whether everything will be fully balanced, but I don't see any cause for deep pessimism.

SPIEGEL: Domestic orders for automobiles have been declining for months: For the first time, after many successful years, a crack is visible. No doubt, when this economic engine begins to sputter, it will have to affect other lines of business as well.

Wolff: Actually, I expected the crack in the automobile industry much sooner. The trend is certainly downward, but it began from a level of surprisingly high demand for cars. In addition we have to consider the International Automobile Show in Frankfurt, which is automatically preceded by buyer restraint.

SPIEGEL: Herr Wolff, the Bundesbank has already initiated a reverse in trend by increasing the interest rate.

Wolff: So far the Bundesbank has done the right thing.

SPIEGEL: The centralbank board is endeavoring to step even harder on the brakes in order to make money even more expensive.

Wolff: at the moment, in view of the most recent increase in the discount rate, I don't think that the situation has changed sufficiently to justify stronger measures for stabilization by the Bundesbank. Nevertheless, if possibly the first wage settlements were to reveal something which in the opinion of Bundesbank economists... .

SPIEGEL: Are you threatening the trade unions with the Bundesbank.

Wolff: No, I am not threatening at all. I have no more influence on the Bundesbank than the federal government has, because it is autonomous.

SPIEGEL: In your opinion, what will be the result of the first wage settlement?

Wolff: I am not making any predictions about that.

SPIEGEL: Business enterprises are making good money and prices are rising. Consequently, a debate about pay increases was unavoidable. The Metalworkers Union and Eugen Loderer, their leader, expressly opposed demands for additional pay, although Franz Steinkuehler, Loderer's competitor, has a different opinion. Does that make you happy?

Wolff: My thanks go to Herr Loderer. But: Whoever advocates increases in spite of great intelligence is an ambitious person who for personal reasons wants to get to the top of some organization. And the times are too serious in Germany for people who have such ambitions.

SPIEGEL: Are you right now referring to Steinkuehler?

Wolff: You are the one who said it. But seriously: Those price increases which allegedly are the reasons for pay increases are not--unfortunately--benefiting businesses, they are going to the oil countries.

SPIEGEL: Can you really believe that yourself? It is surely not only the OPEC potentates who are getting rich from these price increases.

Wolff: I cannot vouch for industries that I don't know very well. It is possible that in some instances, as a consequence of the price structure, price increases have improved the profit margins of some companies.

SPIEGEL: To our knowledge, entire lines of business have profited considerably; for instance, the chemical and oil companies.

Wolff: There are two sides to everything. OPEC price resolutions are directed against Western industrial nations and against large oil companies. Now they are profiting because of it. Why not? Of late, even Ruhr coal is profiting from it.

SPIEGEL: Ruhr coal has been in the red for years.

Wolff: Thanks to OPEC price policies, Ruhr coal is now able to establish a price that can guarantee a more or less balanced result. Just imagine what it would be like for Ruhr coal without these OPEC price increases.

SPIEGEL: It seems to be a habit among entrepreneurs to lure unions with vague promises: If you keep wage increases down, we will try to do the same with regard to prices. This time, however--in spite of moderate settlements--prices are rising considerably. Should not the unions feel that they have been cheated?

Wolff: No. I don't think that intelligent people will feel that they have been cheated.

SPIEGEL: There are some very clever employers who would like to settle the demand for pay increases simply by making the government pay in the form of tax cuts.

Wolff: Tax policies and wage policies--they are as different as whisky and beer. If wage autonomy is to be preserved, one cannot involve the government.

SPIEGEL: How come the business community is so quiet during this absurd tax debate which is currently going on in Bonn? Are there, for once, no demands?

Wolff: The chambers of commerce have been restrained for some time. I don't think much at all of this hectic up-and-down in tax policies that is always being initiated by some party.

SPIEGEL: You are now definitely dissociating yourself from the CDU, which is crying for tax cuts by January of next year.

Wolff: It really makes no difference to me whether they take the year of 1980 or 1981 for tax cuts, just because it is an election year. Taxpayers do not understand the difference and I don't either, considering the high national debt which exists. What we need, and this has nothing at all to do with election campaigns, is a somewhat more gradual progression of wage and income taxes.

SPIEGEL: Nevertheless, probably what is most important right now is to decrease somewhat the national debt that accumulated during the depression years. Instead, the CDU/CSU is carrying on an absurd debate on tax cuts.

Wolff: As far as I am concerned, the inconsistency is the fact that the budgets of the federal government, the Laender and local governments continue to be expended. That is not in agreement with a healthy economy. The budget policy is procyclical.

SPIEGEL: Where can money be saved?

Wolff: In local communities.

SPIEGEL: For instance, reduced investment in construction.

Wolff: Why not? Naturally everybody is going to scream. But here is an example from Cologne: Since 1968 the number of swimming pools there has tripled. Would you believe that since then the number of people who go swimming has been increased by one person?

SPIEGEL: Then in what area can Bonn save?

Wolff: Because of its international obligations the federal government is least able to save.

SPIEGEL: If the Union has its way, revenues are to be reduced in the midst of an economic boom. That is contrary to all economic reason.

Wolff: I don't understand why there is so much fuss here.

SPIEGEL: Because you are playing games. Which tax-cut date would you support, if you had to make the decision: 1980, as demanded by the Union, or 1981, as announced by the federal government?

Wolff: That depends on whether it is supposed to be election propaganda or....

SPIEGEL: We would like to know what you consider reasonable.

Wolff: If the importance is on making a lot of noise, it makes no difference at all whether something happens in 1980 or 1981. If a rational decision is expected, for reasons of time alone and because it must be prepared, tax reform cannot come about before 1981.

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CSO: 3103

## PREPARATION, GOALS OF FIRST FRG ANTARCTIC STATION

Hamburg DER SPIEGEL in German 20 Aug 79 pp 168-172

[Unattributed article: "Take Refuge in No 90 on the Ice Cap -- FRG Prepares To Construct First West German Antarctic Station"]

[Text] On behalf of the FRG Research [and Technology] Ministry, Munich's Dorsch Consult planning bureau has invited bids on a number of sturdy boxes capable of being lived in. For example, "Container No 41" requires "7.8 square meters of carpeting, shag" and "1 each built-in washstand" in addition to "3 each glass-holders" and "3 each soap dishes."

The box, whose base measures 9.83 square meters, is to provide safe conditions for "sleeping, living and working for 3 people," at "average exterior temperatures" of between -5°C and -25°C during the warmer part of the year and between -25°C and -60°C during the winter.

The bidding item listed as "Container 90" also illustrates the unusual nature of the contract. In addition to container capacity for housing a maximum of 50 persons, it calls for well-insulated compartments for laboratories, radio shack, kitchen, sauna, power plant and water-purification system -- or, for example, facilities for the removal of 35 cubic meters of household refuse and 6 cubic meters of human waste per year.

This box is designed as a "survival island." In the event that a fire or explosion should destroy living quarters and laboratories, the container-dwellers are to take refuge in No 90 and wait for assistance. Under unfavorable circumstances this could take 4 or 5 months.

The boxes and their fixtures and equipment are destined for a desolate corner of the earth which, in this age of space travel, is accessible neither by water nor by air once the darkness of the southern winter has settled over its 27 million cubic kilometers of ice mass.

During February and March of 1981, instruments and material for the first FRG Antarctic research station are to be assembled at the edge of the seventh continent -- or, more precisely, on the Filchner-Ronne Ice Shelf

on the Weddell Sea, about 2,400 km beyond Cape Horn and 1,400km short of the South Pole.

The project -- which is to cost DM 20 million (excluding scientific equipment) -- is one of the preliminary contributions with which Bonn plans to buy into the small circle of so-called consultative members of the 1959 Antarctic Treaty to which it acceded last February, initially as a simple member with minority rights. This exclusive club of 13 nations at present, a group that administers the cold continent -- hitherto legally a "res nullius," something that belongs to no one -- is open to newcomers if they "demonstrate their interest in the Antarctic by conducting substantial scientific research...."

And there is an abundance of research to be done. The ice-covered Antarctic, which contains almost 80 percent of all the fresh water on earth, influences the weather of large portions of the world and determines circulation in the oceans. It provides scientists with knowledge about Earth's climatic history as well as interrelationships between oceans and atmosphere. Ecosystems that exist nowhere else on earth have been evolving in the Antarctic under deep-freeze conditions.

In addition to construction of the station, the following elements are part of the program with which Bonn plans to demonstrate the required scientific interest:

Establishment of a polar research institute to coordinate German activities in the Antarctic; according to original plans, it was to have been established long ago. The FRG government will probably decide in early autumn whether the institute will be located in Bremen, the Land governed by the SPD, or Kiel, capital of CDU-governed Schleswig-Holstein. Most experts favor Kiel, home of the renowned Institute for Oceanography;

Construction of a polar vessel for which Research Minister Hauff has invited bids through the Hamburg Shipbuilding-Research Institute. It is to function as a floating Antarctic laboratory, but also as a supply ship for permanent bases. Designed as an icebreaker and equipped with a computer that engineers the maneuvers which enable the vessel to rock itself free of the pack ice, it will cost around DM 80 million, thus making it the largest and most expensive research ship under the German flag.

As a simple member, a nation has only to meet obligations deriving from the treaty, such as protecting Earth's south polar environment from radioactive waste. By contrast, only the close circle of consultative members has the authority to determine what happens on and with the seventh continent in the future.

For this region, nearly double the size of Australia and almost completely covered by a giant ice cap, is not only a wilderness inimical to life. It also harbors substantial resources which, to be sure, are not yet recoverable

with the technology of today; included are oil and coal, iron, copper, the metal molybdenum and uranium. And krill, the small shrimp-like creature which lives in Antarctic waters, could help solve mankind's food problems.

By the time the newcomers from the FRG move into their headquarters on the Weddell Sea in 1981, they will find a population made up of nine nationalities. More than 3 dozen stations, occupied the year around or only during the polar summer, are already being maintained in the glittering frozen wasteland beyond 63° south latitude by British and Japanese, Russians and Americans. Among other things they operate the "Amundsen-Scott" base, a 16-meter-high aluminum dome equipped with laboratories -- but also a sauna and a pool table for the crew -- located directly at the geographical South Pole.

The future German station was designed along the lines of British and Australian research accommodations as a system of steel tubes connected by diagonal tunnels. Arranged inside this network like compartments in an express train railcar are containers for living, laboratory work, kitchen and the like (see sketch). The entire system of tubes is buried under 2 meters of protective snow. Only exits, ventilation and exhaust shafts, antennas and a wind generator are supposed to project above the snow.

Of course, a "pre-site survey" must precede a trial construction of the station in the FRG and subsequent shipment south. Engineers and scientists will be traveling to the Weddell Sea in December as advance men aboard the "Polar Circle," a chartered former seal-hunting vessel. They are first to explore the building site and the logistical prerequisites for the German base in Antarctica.

This is necessary according to Kiel marine biology professor, Gotthilf Hempel, chairman of the German Land Committee of the International Scientific Council for Antarctic Research, for even though the Germans are not the first settlers on the earth's southern ice cap, they have chosen for their headquarters an area that is "in many respects a difficult location" even for Antarctic conditions: the Filchner-Ronne Ice Shelf.

The pack ice barrier that could entrap supply ships is broader here than elsewhere. Rising behind this barrier as steeply as Helgoland's sandstone cliffs out of Helgoland Bay is the 50-meter high rim of the ice shelf. It is probable that sloping ascent paths will first have to be blasted in the cliff before building components for the station can be unloaded.

Moreover, the terrain is in constant flux; it shifts on the horizontal plane while dislocating vertically under tension, as in a seismic area. This is because the terrain consists of great swollen tongues of ice from Antarctic inland glaciers that are drifting seaward at a rate of 1 to 1.5 kilometers per year -- carried along from the rear by the steadily moving continental ice cap, while the front gradually breaks away into thousands

of icebergs. And the first German Antarctic station will assuredly drift into the south polar sea as part of an iceberg and sink; this end has been included in the planning.

The weight and the heat given off by the rectangular network of tubes will cause it to bury itself after an estimated 8 years (at a calculated rate of 100 centimeters per year) so deeply in the unstable base -- and it will have moved with the shifting ice shelf so close to the seaward edge of the shelf -- that it will have to be vacated.

But the location of the Filchner-Ronne Ice Shelf also has its advantages. It is "not yet so overrun" by researchers (says Hempel); the Weddell Sea belongs to that part of the Antarctic that borders on the Atlantic, thus on the sea lane located closest to Central Europe. And this particular terrain is an especially rich object for study by glaciologists, the glacial researchers primarily concerned with manning the German south polar station.

For instance, Muenster glaciologist Heinz Kohnen, leader of the "Polar Circle" crew on the pre-site survey, says that they hope to obtain from the object of their research -- a gigantic sheet of ice almost the size of Sweden and averaging 400 meters in thickness -- information on "the difference between additions to" (snowfall) "and subtractions from" (glaciers and ultimately icebergs melting in the sea) the southern ice cap.

The search for trace materials from the atmosphere preserved in the ice -- lead or DDT, for instance -- is to provide information on the worldwide transport of these substances and "their increase in the atmosphere as the result of anthropogenic influences"; in other words: air pollution caused by man.

Even before the glaciologists and geologists, biologists and meteorologists set out from their tunnels and containers in the ice shelf on initial snowmobile excursions to surrounding areas, German scientists will already be moving south on ventures that go by code names, as though they were moving out on NATO maneuvers -- "Canovex," "Biomass" or "Fibex."

"Canovex" stands for "German Antarctic North Victoria Land Expedition" and will take place during the next south polar summer under the direction of the Federal Institute for Geosciences and Raw Materials in Hanover. The target is a mountain range up to 4,000 meters high in North Victoria Land, where the Hanover people plan to conduct studies on the history of Earth.

This region, beneath which the heart of East Antarctica stemming from the Paleozoic Era comes together with West Antarctica's historically younger, highly folded mountains, has hitherto been traversed only by a few sled expeditions. Using as a floating base the "Schepelsturm," a supply ship for offshore-drilling platforms, the Hanover geologists will be flying there by helicopter.

"Biomass" is the English short form for an international 10-year program for the "Biological Study of Ecosystems and Fauna of Antarctic Seas." "Fibex," in turn, stands for the first part of this venture in which the German research vessels "Meteor" and "Walther Herwig" will be participating early in 1981: "First International Biomass Experiment."

Disguised behind such code words is "the greatest biological census in history," says Hempel, coordinator of the expeditions from Kiel. Its target is krill, the small shrimp-like creature that measures between 2 and 8 centimeters. A few years ago some natural scientists were planning to use krill to help eliminate animal protein supply deficiencies for the world's population. At that time they considered annual krill catches of 300 million tons to be a possibility.

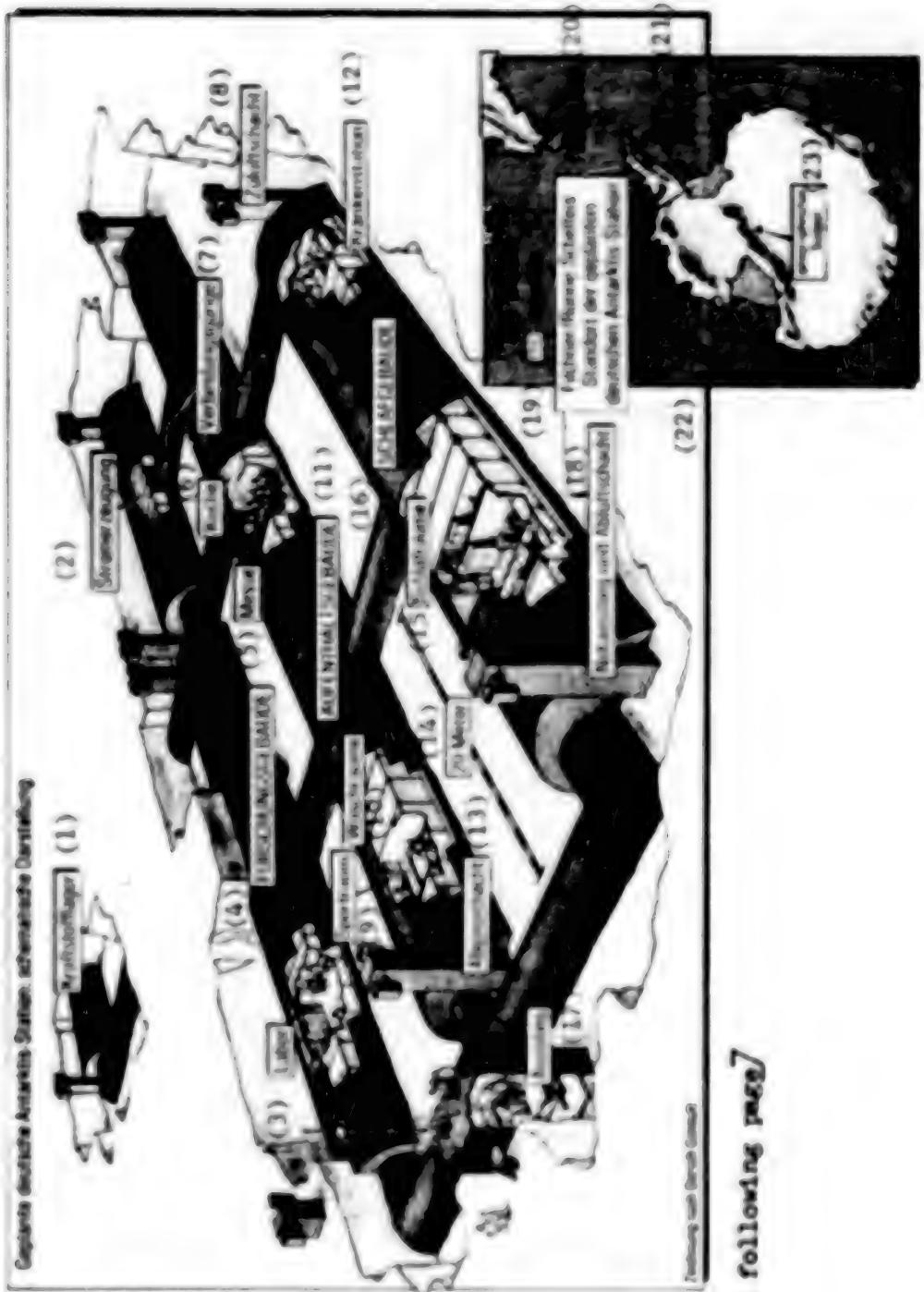
Meanwhile, expectations have shrunk. Biologists think that a catch of more than 90 million tons might possibly already constitute overfishing. But even 80 million tons amount to quite a lot; this is as much as is presently being gathered as food -- from herring to rock lobsters -- from seas, inland waters and aquacultures.

Nevertheless, so far not enough is known yet about how often the krill spawns, how rapidly it grows, how long it lives or what interdependencies exist between it and the other links in the food chain in the ecosystem -- on the one hand, between the krill and the lower forms of plant plankton on which the small shrimp feed, and on the other, the warm-blooded Antarctic whales, seals and penguins which feed upon the shrimp-like animal.

In the course of the Biomass Program the Antarctic waters will be systematically traversed, square mile by square mile, by an international armada of research vessels employing sonar systems and trawl nets. Data will be collected on krill schools and their density, krill growth and migration and spawning and feeding grounds.

The ultimate aim of the researchers is for computers to use the Biomass data to develop a program in which open and closed seasons on krill will be counterbalanced in such a way that the ecosystem -- from unicellular plant life to the penguin -- will remain unimpaired.

The use of marine resources conducted according to such rules -- now scheduled for adoption in a convention appended to the Antarctic Treaty -- would be a true novelty. According to an "old rule" (says Hempel), the situation heretofore has normally been the other way around: First the fishermen came, cleaned out one fish population after another, thus upsetting the balance between biological communities, and then "they asked us scientists what had happened to all the fish."



[See on following page]

Key:

1. Fuel depot
2. Power generator
3. Laboratory
4. Research Building
5. Dining area
6. Kitchen
7. Passageways
8. Air-intake shaft
9. Game room
10. Washrooms
11. Recreation Building
12. Sick bay
13. Exhaust shaft
14. 20 meters
15. Sleeping areas
16. Dormitory Building
17. Exit
18. Emergency exit and air-outlet shaft
19. Ice shelf; Pilchner-Ronne Ice Shelf; location of planned German Antarctic station
20. Tierra del Fuego
21. Antarctica
22. Polar circle
23. Geographical South Pole

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CSO: 3103

## SOVIET TROOPS IN CUBA SEEN 'DESTABILIZING' REGION

Paris LE FIGARO in French 7 Sep 79 pp 1, 4 LD

[Article by Patrick Wajsman: "After All, It Is Only a Disaster..."]

[Text] Washington's discovery of a Soviet combat brigade in Cuba is no trifling matter. Far from it.

Just when the Carter Administration finally seems to have decided to emerge timidly from its culpable passivity to demand an explanation from the Kremlin, certain lucid or candid Sovietophiles are also starting to make their voices heard. Their objective is to persuade the West to play down the crisis for the sake of the sacrosanct "detente." Their argument is that 3,000 Soviet soldiers could not possibly be a direct threat to U.S. territory.

Such an argument is extremely pernicious and placatory. The reader will forgive me for being unable to resist the temptation to say why.

Nobody would be stupid enough to claim that by sending men (and weapons) to Cuba Leonid Brezhnev is harboring the insane intention of invading Florida: I would even wager that it will be some time before these valiant messengers of proletarian internationalism have a chance of tasting the delights of Miami Beach.

However, is the fact that the gradual and systematic transformation of Cuba into a Soviet arsenal does not directly threaten the United States any reason for virtually disregarding it? Is it any reason for joking about it at tea time? Or for merely seeing it as a sign of temporary audacity by the Kremlin? In all honesty I do not think so, for several reasons.

First, because it is ridiculous to imagine that, in relations between super-powers, there are various categories of well-defined, quantifiable, separate and distinct threats: "minor threats" which can be disregarded and brushed aside, and "major" threats which require energetic reaction; diffuse and indirect threats, too elusive for any attempt to be made to contain them, and open threats, which are visible to the naked eye and must immediately be removed. I repeat that in international affairs there is no challenge, however impalpable, however distant and however indirect, which does not require an instantaneous response.

For instance, when the USSR signed a treaty of friendship with India in August 1971 it indirectly challenged the United States, which backed the Islamabad regime. However, Washington did not react, with the result that 3 months later, backed by Soviet approval, Mrs Gandhi's troops split Pakistan. When the Russians signed an identical treaty with communist Vietnam in November 1978, they launched another indirect challenge, this time at China, which supported the Phnom Penh regime. However, Beijing did not consider this demonstration enough, with the result that a few weeks later, backed by Moscow's assurance, Hanoi's soldiers invaded Cambodia.

The same sequence could easily apply in the Caribbean tomorrow. Moscow's multifaceted support for Cuba constitutes an indirect challenge to the U.S. Administration. If that administration does not take care Fidel Castro's soldiers, with Kremlin backing, will soon be dangerously increasing their military presence in Central America.

Will Mr Carter (if he is still in power) then regard the threat to the United States as sufficiently "direct" to justify anxiety? or will he follow his mood and maintain that it is vital to do nothing?

Whatever the answer, it cannot be emphasized enough just how destabilizing the Soviet "game" in this vital zone could be. This is particularly true since it is based on the desire--expressed on many occasions--of the Cubans and their South American allies to "export revolution." In this context I fail to see from what source certain advocates of detente obtain their information when they predict, for example, that the Nicaraguan Sandinistas are busy building a peaceful social democracy and that Fidel Castro is merely waiting for a good opportunity to break away from the Russians.

It is true that there was a time when Castro swore: "I have never been, am not and never will be a communist." He has now changed his tune and admits shamelessly that the USSR has become his "natural ally," openly advocating the creation of a revolutionary third world alliance founded on a Havana-Aden-Addis Ababa-Hanoi axis and finding grounds for hope in the fact that South Yemen (which has become a real people's democracy totally devoted to Moscow) "is a center of freedom and progress in the Arab world."

At a meeting sponsored by a leading U.S. foreign policy review in Washington on 20 July one of the principal Cuban diplomats went so far as to confess with some naivete that his country would continue to give "varied" aid (including military aid) to the guerrillas of Nicaragua, Guatemala, Honduras and El Salvador. I think that the reader will appreciate the significance of this confession when he realizes that, according to the leading experts, the El Salvador revolutionaries' victory promises to be bloody, so violent that in comparison even the Sandinistas' struggles will look like a very conventional state banquet!

A few optimists may point out to me that the "domino theory" belongs to the ideological arsenal of old-fashioned cold war advocates and that the

installation in Managua of a government dominated by assiduous readers of Marx does not necessarily mean that the other Central American microstates will suffer the same fate. That is true. But what does Mr Tomas Borge, top man in the Nicaraguan junta, mean when he says that the revolutionary changes in his country "will upset the geopolitical situation" in the region? What glorious future is the editor of the Soviet weekly NOVOYE VREMENYA dreaming about when he writes that Nicaragua is now "in the front line of the national liberation struggle against imperialism in Latin America?

The communists are often honest enough to show their colors. Curiously enough, we refuse to believe them. Must we once again be content to find a rational explanation for our short-sightedness after the event, declaring that after all, it is only a disaster...?

CSO: 3100

## PCF'S MARCHAIS SUMS UP ALGIERS TALKS

Paris L'HUMANITE in French 31 Aug 79 p 9 LD

[Francoise Germain-Robin report: "Georges Marchais Meets President Chadli"]

[Text] Algiers, 30 Aug--Georges Marchais' visit to Algeria seems to have been particularly positive. It marks an important stage in the development of PCF-National Liberation Front (FLN) relations. The many detailed talks which the PCF delegation has had with Algerian officials, and especially with President Chadli, have shown a broad convergence of views on all questions raised. As Georges Marchais pointed out during his talks with the FLN secretary general, each new meeting shows increasingly profound agreement. Both sides placed particular emphasis on the need to improve relations between France and Algeria and, in this field, the Algerian government once again clearly expressed its good will.

Yesterday evening Georges Marchais was guest at a dinner given by FLN coordinator Mohamad Salah Yahiaoui. This dinner was also attended by Prime Minister Abdelghani and by Mr Mazuzi, both members of the Politburo, by Labor Minister Oumeziane and by the general secretaries of mass organizations. Talks were held this morning between the French delegation and President Chadli which were also attended by party coordinator Salah Yahiaoui, central committee member Slimane Hoffman and government secretary general Ismail Hamdani.

A Common Desire

The talks lasted more than 75 minutes.

Before leaving Algiers the PCF secretary general gave a press conference. He spoke first of his talks with President Chadli, specifying that they took place "in a friendly atmosphere which reflects the continuity in relations between the two parties. We surveyed many essential questions relating to bilateral relations and questions of common interest.

"The main point to emerge from these talks is a common desire to strengthen cooperation between our two parties still further, a whole series of measures were decided for the coming period to this end. Our primary concern is with problems of cooperation between France and Algeria. This morning President Chadli solemnly confirmed, as Salah Yahiaoui did the day before yesterday, the deep-seated wish of the Algerian government and Algeria to develop economic, political, scientific and cultural cooperation with France in the mutual interest of our two peoples and our two countries.

"We concluded that there was no obstacle to the development of this cooperation on the Algerian side. The Algerian government's positions do not conflict with the French people's interests in any field.

"We also examined the international situation, primarily the situation in the West Sahara. It is clear that, after the Algiers agreement, the problem posed concerns the Polisario Front and Morocco alone. Our Algerian friends confirmed that Algeria has no claims and is in favor of maintaining the borders resulting from the colonial period. Therefore, the conflict is between Morocco and the Polisario Front. We agree that the Saharan people's demands and their right to self-determination and independence must be fulfilled.

"The immediate withdrawal of Moroccan troops from Saharan territory must be demanded. The French government could play an active part in solving this problem by taking a clear line in favor of the Saharan people's right to independence and by stopping all support for the Moroccan king's expansionist policy.

"We also discussed various other questions: The Middle East, Iran and the nonaligned countries. In general our positions were really more than just similar; I would say that they were parallel. Therefore we decided to develop active cooperation. Furthermore, during this visit I was pleased to note and to hear that Algeria intends to pursue in an original way the path it has laid down for building a socialist society."

In reply to journalists' questions Georges Marchais explained that the joint action envisaged concern mainly the problem of Algerian immigrant workers in France. "Those who are here," he said, "and who have contributed to our country's economic growth must be allowed to stay. We will fight beside them and will invite them to take part in the French workers' struggles against any expulsion measures and against racism. The fight on this question will be resumed in parliament, but that is not enough. We must organize the broadest possible action in all forms. Conditions are right for all-out action to insure that the government withdraws its plans, which are opposed by all but the most reactionary forces."

Another PCF-FLN meeting will take place shortly to this end. Among other joint action envisaged the PCF secretary general mentioned action to promote a new world economic system: "This is a topical problem on which our Algerian friends have long since stated their views. We think that the time has come

to examine the question in greater detail, especially as regards the implications of a new world economic system for economic relations between capitalist countries, socialist countries and developing countries. The time has come to compare ideas and make progress.

"Conditions are right for initiatives by workers and peoples at international level. We also intend to increase cooperation in the search for solutions to the problems arising in the march of socialism."

#### Is the Elysee Going to Continue to Arm Morocco?

Turning once again to the West Sahara question, Georges Marchais recalled the talks he had on Tuesday with Polisario Front secretary general Mohamed Abdelaziz and the joint communique issued after the meeting. "Next week," Georges Marchais explained "I intend to speak to the French government and President Giscard d'Estaing on this subject. The French government must now state its views clearly on this question. It has just come out in favor of maintaining Mauritania's borders. Does Mr Giscard d'Estaing intend to demand that the Moroccan government and Hassan II stop supporting the so-called free Mauritanian officers, whose presumed intention is the partition of Mauritania? Can he both come out in favor of respecting Mauritania's borders and supply arms to the Moroccan government, which makes no secret of its expansionist intentions? Since the only two parties concerned are Morocco and the Polisario, the Polisario front's right to self-determination and independence for the Saharan people must be recognized."

With regard to the nonaligned summit, Georges Marchais recalled the stance adopted by the 23d PCF Congress and its favorable assessment of that movement's action: "It is an anti-imperialist movement militating for progressive objectives. We hope that the Havana summit will confirm these positions." A joint PCF-FLN communique and a draft joint agreement were due to be signed in Algiers late that afternoon. They will be published jointly by the two parties next Monday.

The signing of the draft agreement and joint communique between the FLN and PCF was marked by a short ceremony in the Ziroud Youcef Palace this evening, during which Georges Marchais and Mohamed S. Yahiaoui delivered short speeches.

CSO: 3100

## PCF-FLN COOPERATION TO BE EVEN CLOSER

Paris L'HUMANITE in French 1 Sep 79 p 9 LD

[Unattributed report: "PCF-National Liberation Front Cooperation Will Be Closer"]

[Text] The solemn ceremony of signing the joint PCF-Algerian National Liberation Front (FLN) communique and the cooperation protocol between the two parties took place late Thursday afternoon in front of Algerian television cameras at Ziroud Youcef Palace, FLN party leadership headquarters.

Georges Marchais and Mohamed Salah Yahiaoui [FLN coordinator] were accompanied by the members of the two delegations.

Speeches were made after the documents had been exchanged.

First Mr Mohamed Salah Yahiaoui mentioned the fact that this meeting was part of a tradition. "It will strengthen our cooperation and make it closer and more effective. This joint communique shows our common wish to increase cooperation between the two parties and to strengthen cooperation between our two peoples." Stressing the atmosphere of friendship and the fraternally militant spirit which reigned during the talks, the FLN party coordinator continued: "Our meeting demonstrates our decision to show our solidarity with all struggling peoples.

"For our part, we will work with increased efficiency and dynamism to carry out Pres'dent Chadli's directives aimed at strengthening our relations and making them closer still."

Mr Mohamed Salah Yahiaoui added: "On behalf of the FLN party secretary general and all members, I would like to take this opportunity to thank the PCF and its members for the courageous and active attitude they have taken to defend the rights of Algerian immigrants in France who are permanently subjected to insecurity and loss of dignity."

Welcoming the fact that the meeting promoted better understanding and strengthened relations, the Algerian leader pointed out that the two parties are fighting in the front line alongside peoples struggling for independence and dignity. "We are convinced that the will of the peoples aspiring to independence, freedom and progress will triumph. The days when the sword could subjugate whole peoples are gone forever."

In conclusion, Mohamed Salah Yahiaoui asked Georges Marchais to convey the FLN party's militant greetings to the PCF.

The PCF secretary general first thanked him for his warm words about our party and our people.

"I attached great importance to this visit and to the meeting between our two parties, especially since we have been sorely tried. I say we because it is primarily the Algerian people and the FLN but also progressive forces throughout the world who were hit by the death of our friend Houari Boumediene.

"After our long talks with President Chadli and your delegation it gives me great pleasure to note the common desire to increase and strengthen relations between our two parties for perfectly clear objectives. Indeed we intend to channel our strength into serving our two peoples and our two countries and at the same time all the just causes in the world." Georges Marchais mentioned in particular the liberation fight being waged by the Saharan and Palestinian peoples: "...both objectives for which we are struggling and will struggle together.

"The FLN and the Algerian people are assured of our solidarity in the struggle they are waging to build a socialist society by original means and in keeping with the will asserted by the Algerian people themselves.

"It is in this context that we intend to militate actively to insure that France maintains political, economic, scientific and cultural relations in the interests of the two peoples and with respect for the independence of each."

The PCF secretary general then stressed: "I know how rightly sensitive you are to the fate of Algerian immigrant workers in France. As I have said before, you can count on our complete solidarity in upholding their interests and their dignity."

Georges Marchais added: "The more we meet the more we realize the deep-rooted agreement between our two parties on essential questions. I am convinced that this meeting and the decisions we have just taken will make a new contribution to this active solidarity."

He ended by thanking his hosts and repeating the PCF's invitation to them to visit France soon and by expressing once again "warmest wishes to the FLN party and the fraternal Algerian people."

The communique will be published in Monday's L'HUMANITE and in the afternoon Georges Marchais will have a meeting with journalists devoted to the results of this visit and the PCF's proposals.

## PCF-FLN SOLIDARITY REITERATED BY COMMUNIQUE

Paris L'HUMANITE in French 3 Sep 79 p 8 LD

[ "Text" of joint communique published at the end of Georges Marchais' visit to Algiers: "PCF-Algerian FLN Party Solidarity" ]

[Text] At National Liberation Front [FLN] party secretary general, President Chadli Bendjedid's invitation, a PCF delegation led by PCF secretary general Georges Marchais visited Algeria from 27 through 30 August 1979. This visit enabled Georges Marchais to see a number of the achievements of the democratic and popular republic of Algeria in various social and cultural spheres.

The visit was an occasion for important political talks. FLN party secretary general, President Chadli Bendjedid and PCF secretary general Georges Marchais had a long and friendly meeting during which major issues of common interest were discussed at length by the two leaders.

In-depth talks took place between an FLN party delegation led by Politburo member and party coordinator Mohamed Saleh Yahiaoui and a PCF delegation led by Georges Marchais (L'HUMANITE note: the FLN party delegation consisted of Sliman Hofman, central committee member and head of the International Relations Commission; Ali Ammar, central committee member and head of the Study and Political Education Commission; Abd el Krim Souissi, central committee member and chairman of the Association of Algerian Nationals in Europe; and Lazahari Charlet, central committee member and deputy chairman of the International Relations Commission. The PCF delegation consisted of Jacques Denis, central committee member and deputy head of the Foreign Policy Department; and Alain Gresch, member of the Foreign Policy Department). The talks were held in the atmosphere of friendship and solidarity which marks PCF-FLN relations and which have developed continuously in recent years. They confirmed the two parties' similarity of views which reflects a convergence of the two peoples' interests and the need to further strengthen their solidarity in the anti-imperialist struggle.

Continuous development in depth of these relations and this solidarity, topical major international issues and, especially, the struggle for the

creation of a new international economic order throughout the world--a problem inseparable from any acceleration of the national liberation process--were discussed.

Faithful to a constant of their history and their revolutionary traditions, the two parties agreed to further increase their efforts to make imperialism retreat throughout the world. They expressed their satisfaction with the upsurge of the liberation, democratic and progressive forces and with new developments in the peoples' struggle in the face of attempts by imperialism to resist and preserve its system of domination, exploitation of workers and peoples and neocolonialist plunder. In this connection, the two parties reaffirmed their solidarity with oil-producing and raw material-producing countries in their struggle to control and freely dispose of their national resources in opposition to imperialist threats, usurpation through inflation, and mismanagement. This struggle is bound to lead to the peoples' victory through the unity and solidarity of human, social and National Liberation Forces capable of defeating the imperialist counteroffensive.

The FLN party and the PCF paid special attention to the question of democratizing international political and economic relations. They agreed that such democratization is indispensable to guarantee all peoples the right to independence, national sovereignty and liberation, to insure social progress and democracy, to advance the cause of detente and make detente universal and to insure arms reduction, disarmament, peace, equality and the broadest and most fruitful possible cooperation among all nations.

As a result of imperialist, colonialist and neocolonialist policy, the existing gulf between developed and developing countries has continuously deepened, and a situation fraught with perils for all mankind has consequently been created. When billions of human beings suffer from underdevelopment, hunger, poverty, sickness and illiteracy, all peoples are concerned. In order to resolve these problems it is necessary to do away with the present international relations based on inequality and dependence. This calls for negotiations, in which all parties concerned participate fully and which lead to the adoption of concrete measures, in particular with respect to problems relating to the stabilization of raw material prices, technology transfer and developing countries' foreign debts and purchasing power, to earmarking a proportion of military budgets to action in support of development, and to progress in and democratization of international organizations. Determined action for the creation of a new international economic order, consistent with the requirements and possibilities of our times, is in the interest of the working class, all peoples and all countries.

Chadli Bendjedid and Georges Marchais restated their parties' determination to contribute to the achievement of these aims in conjunction with all peoples' and anti-imperialist forces.

On the eve of the Sixth Nonaligned Summit in Havana, the two leaders and their parties paid tribute to the positive role played by that movement and its contribution to solving international problems. They expressed the hope

that its work will be completely successful and will help to strengthen the movement's unity and intensify its action in accordance with its principles, with a view to reflecting the peoples' legitimate desires in the face of underdevelopment and inequalities in the world, imperialism and the crisis for which it is responsible. The movement has become a dynamic and influential factor in international relations.

The two parties emphasized the need to make every effort to transform the Mediterranean into an area of peace and cooperation, to the advantage of all the peoples bordering on a Mediterranean free of foreign bases and fleets. In this connection, they recalled the indissoluble connection between security in Europe and security in the Mediterranean region as stated in the Helsinki final document, all of whose provisions should be implemented. The next international conference, which is to take place in Madrid in 1980, should profit from the contribution of all Mediterranean countries, whose support is indispensable to insure real security.

The PCF and the FLN party discussed, among other problems confronting the region and calling for intensified action and cooperation among progressive and democratic forces, recent developments in Northwest Africa and the Near East.

The two parties reaffirmed their solidarity with the just struggle waged by the Saharan people for self-determination and national independence under the leadership of the Polisario Front. They paid tribute to its victories in the field and noted with satisfaction the resolutions adopted by the OAU summit in Monrovia and the Algiers agreements concluded between the Mauritanian government and the Polisario Front, which cleared the way for a final decolonization of the region and the achievement of a just and lasting peace. They strongly condemned and demanded the immediate withdrawal of Morocco's occupying forces from all the Saharan Democratic Arab Republic's [SDAR] territory. They expressed the hope that the coming nonaligned summit and UN General Assembly will adopt measures in support of the Saharan people's free exercise of their right to self-determination.

Assuring again the PLO--the only and the internationally recognized representative of the Palestinian people--of their support, they restated that there can be no just and lasting peace in the Near East unless the resolutions adopted by the UN General Assembly, especially resolutions concerning the Palestinian people's inalienable national rights, including their right to establish their own state, are implemented.

The two parties condemned the Israeli acts of aggression perpetrated against Lebanon and the blows struck against its national unity, especially attempts to partition the country. The daily deterioration of the situation calls for strong support for progressive and patriotic Lebanese forces fighting for a united and sovereign Lebanon.

After studying the situation in southern Africa, the two parties condemned acts of aggression perpetrated against independent countries in the region

and imperialist maneuvers aimed at imposing artificial solutions and puppet governments. They restated their support for the struggle waged by the peoples of Namibia, Zimbabwe and South Africa against racism and apartheid.

Chadli Bendjedid and Georges Marchais also discussed relations between France and Algeria in the light of recent developments. The statements and proposals that appeared in the PCF-FLN statement of 14 December 1977 are still valid, with regard to the deterioration of cooperation between the two countries, France's African policy and the situation that has been created for Algerian immigrants in France. In view of threats facing these immigrants, it was a special high-level meeting organized between the two parties to determine what action should be taken to thwart any steps contrary to the interests of the two peoples and the two countries.

The two leaders paid special attention to cooperation between France and the Democratic and Popular Republic of Algeria. They believe that this cooperation can be considerably developed to the advantage of the two peoples and serve as an example of cooperation of a new kind. Chadli Bendjedid recalled that Algeria desires a global approach to outstanding problems, both problems concerning political, economic and cultural relations and problems connected with concrete measures to be implemented with a view to protecting the rights, safety and dignity of Algerian workers in France.

Georges Marchais emphasized that the special nature of the relations between the two peoples and the two countries calls for taking full advantage of the existing opportunities for cooperation in various spheres. He reaffirmed the PCF's determination to intensify its action to insure that cooperation based on respect for the two countries' sovereignty and their political and social options, equality in law and justice replaces a situation which is tantamount to real betrayal of France's national interests.

In conclusion, the two parties noted with profound satisfaction the strength of the bonds of friendship and solidarity existing between the PCF and the FLN party. The meeting made it possible to intensify, at the highest level and in accordance with the peoples' interests, their struggle for the peoples' independence, democracy, social progress and socialism.

Algiers, 30 August 1979.

CSO: 1100

## BARRE SPEAKS ON NATION'S ECONOMIC, OTHER PROBLEMS

Paris LE FIGARO in French 30 Aug 79 p 4

[Interview with Premier Raymond Barre by Emmanuel de la Taille: "France Has the Ability to Cope"]

[Text] Here is the complete text of the interview given yesterday by the premier on TF-1 [French Television No. 1], where he was questioned by Emmanuel de la Taille.

Question: Will the measures that have been taken be enough?

Answer: I believe that one must properly understand the significance of these measures and place them within the context of the government's overall policy. In April I announced that we were going to take measures in support of the building trades and public works in August or September. Why? Because the oil price rise--58 percent--had the effect of slowing down economic activities and because the administration wants to maintain a sufficient activity pace which would make it possible to cope with the arrival of employable persons (250,000 per year) on the labor market.

These are measures which were then taken this morning by the cabinet. But the oil price rise led to price rises in France. Electricity and heating prices will go up during the months to come. We thought that it would be necessary not to make up for a purchasing power loss but--in accordance with what has always been administration policy--to grant exceptional aid to modest-income individuals who would have had to put up with these higher costs. In August, the president of the republic asked me to look into the measures that might be taken when everybody gets back from their vacations and as soon as possible to take measures that could be applied between now and the end of September. This is the second, the social aspect of the decision made this morning. Of course, families, senior citizens, and workers who are paid on the basis of the SMIC [Interoccupational Minimum Growth Wage] will get an increase which should enable them to cope with the rise in current and future

expenditures. This is in keeping with government policy which was always oriented toward helping those who have modest incomes or who are least favored. I therefore believe that the two types of measures taken this morning are in line with the twin objective of government policy to sustain a sufficient economic activity rhythm and, in second place, to help persons with modest incomes through special measures under exceptional circumstances.

### Saddening Attacks

Question: Mr Prime Minister, you seem to have been rather alone on your third anniversary of taking office.

Answer: When you are in power, you are always alone.

Question: What would be the simple proof of the effectiveness of your action to give to those Frenchmen who are beginning to ask themselves: "Can we still believe in Raymond Barre?"

Answer: First of all, you say that the French are asking questions which you are stating here; I am not so sure that you know exactly what the opinion of the French is. One must not confuse the opinion of the French with the opinion of those who think that they are expressing the opinion of the French. But let me get back to the subject itself. It is evident that the last 2 weeks have given rise to a period of intense verbal and written agitation. This is not a personal issue; it is quite normal to have criticism aimed at administration policy during difficult situations. It is however normal also for the prime minister, who bears the responsibility for this policy, to be exposed to criticism. As you have just said, the intensity of those criticisms was quite particular and in certain cases unique. But I do not turn this into a personal issue. When you have made a careful study of the criticisms that were made against the course of action I have pursued for the past three years, I would say that one gets a double impression from that. There are criticisms which, if you will pardon the expression, are funny criticisms; and there are criticisms which I for my part find rather saddening.

There are funny criticisms, such as, for example, when some people will tell me that my policy is too tough and that I am a champion of austerity. Others tell me: You are not pursuing a hard-line policy; your policy is soft.

Question: There is talk of militarism and pacifism ...

Answer: You found these two expressions interesting. Others tell me: You are a backward liberal, while others tell me: There is nothing of the liberal in you, you are a statist. Some people tell me: You are a poor economist; other people tell me: You are a skillful politician. It was very amusing to see that idea developed when, in the past, I was

referred to as an agreeable economist who knew nothing at all about politics, and so forth and so on. All of this is very pleasant. But none of this gets to the root of the matter because, in the resultant cacophony, you did not anywhere see the appearance of a clear definition of a policy that would be applicable in France under good conditions.

Question: Mr Debre . . .

Answer: Mr Debre submitted a program which is worthy of attention. I always listened with the utmost care to the analyses presented by Mr Debre. I believe that these analyses and these propositions are not practical on a certain number of points.

Question: Mr prime minister, if we divide those who think that you are too tough and those who think that you were not tough enough into two camps . . .

Answer: Allow me to answer the question you put to me. I am telling you that there was a relatively superficial and sometimes pleasant aspect to these criticisms but I also said that there were some things that were a little bit sad in these criticisms. I am not at all talking in personal terms now. The action which was taken for the past three years was conducted by the administration of which I am the prime minister but it produced results only thanks to the efforts of French men and women and it is this effort on the part of the French men and women which has been downgraded. That is one point I would like to emphasize. One man all by himself does not do anything and cannot do anything. Now, compare France's situation in August 1976 to the situation in August 1979.

In August 1976, you recall, we had all kinds of political worries; you remember the state of mind that prevailed at that time with respect to the great event that was to take place, that is to say, the legislative elections. You recall the economic situation: The franc, the balance of trade showed a deficit, and prices went up very much. I simply say that, when we compare the economic situation at that time and today, everybody must admit that, thanks to the effort made by French men and women, our foreign trade is recovering and is now showing a surplus. Our reserves were increased considerably to take care of our foreign payments; our industrial output is up and so is the purchasing power of the French people, although its rate of advance did slow down; nevertheless, it continued to increase. The financial situation of the enterprises has been restored. We have instituted the rational agreement on the employment of young people in order to try to reduce unemployment. These are factors which one should not look down on. On the political level and on the economic level, there has been a change in the situation. But on top of that we got the second petroleum shock.

## Petroleum Shock

First of all we had the shock of 1973 and then the one of June 1979. Oil prices went up 58 percent. I will always repeat what this petroleum price rise means: F30 billion had to be paid to those who supply us with the petroleum we need. It is entirely normal that when you receive such a shock, elements which had become positive should, for some time, become negative. It is entirely normal that finding F30 billion to pay abroad will, initially, cause a certain deficit in our foreign trade. That is the situation, such as it is. If I were to summarize, I would say that the French economy was adrift in 1976. In 1976, the French economy is in a position to cope with the difficulties. Right now, the impression which certain people are trying to create is that there is a situation which is not to be laughed at. You talked about pessimism and catastrophism.

Question: What are your expectations on the basis of these impressions?

Answer: We are going to have a difficult situation for several months. I never concealed that. This difficult situation is due to the fact that we are going to have to pay much higher petroleum bills, that we have pressure on prices, that there is a certain slowdown in economic activities which we try to compensate for by means of the measures we are taking. But France does have some aces. Those who criticize the administration's action, those who keep talking disaster, they do not realize what the situation really is.

Those who criticize government action, those who have a doomsday approach--well, they do not realize the capacity of the French to overcome the difficulties which the country must face. The French have already proved that they have this capacity.

Question: But with what grand design?

Answer: One can have a grand verbal design and one can have a grand design which one tries very hard to implement through continuous, patient, and methodical effort. The administration's grand design, the national ambition which the government intends to serve under the authority of the president of the republic is to make France a modern nation, a nation capable of exerting its influence in Europe and throughout the world. That is what our grand design is and the first thing to do is to restore our economy, to grow, to strengthen France's aces in the sectors of future growth, to develop all that comes under the heading of invention and innovation. This is what the government is doing and it has already achieved a certain number of results. When I say "the government," I should say "the French" because they demonstrate their ability to assert themselves in a difficult world everyday. This is the reason why I believe that one must not downgrade the effort the French have been making merely

in order to attack one man. But men come and go whereas France remains and the important thing is that the French should be able to say to each other that they do have the means for coping with the difficulties of the world of today and tomorrow.

I have always appealed to the good common sense, the clear understanding, the hard work, and the courage of the French. I will continue to do so and I tell you this now: After three years of experience, the one thing a prime minister in Matignon [Palace] understands is a very simple thing: When one must govern, one cannot afford to become involved in a popularity contest. That is not always an easy situation but, after all, when you take the job you have to tackle the difficulties that come with it.

5058  
CSO: 3100

## FINANCING FOR STRATEGIC MATERIALS STOCKPILE DEBATED

Paris LE MONDE in French 10 Aug 79 p 19

[Article by Bruno Dethomas: "Who Will Finance the Stockpiling of Raw Materials?"]

[Text] The great fear which gripped most of the industrialized countries following the 1974 petroleum embargo with respect to their procurement of strategic raw materials lasted a long time. On 21 January 1975, to be sure, the French Government decided to create a "national stockpile of raw materials" and that year allocated 100 million francs for its establishment. But despite an additional appropriation of 150 million francs between 1975 and 1979 the plan made barely any progress.

The drying up of the Iranian petroleum source and also the situation developing in southern Africa--in those countries that are major producers of strategic raw materials--led one to remember the fragility of our economies. Consequently, the Council of Ministers on 4 January declared: "The establishing of the precautionary stockpile will be speeded up."

France imports 55 percent of its raw materials and its vulnerability is virtually total with respect to silver, platinum, diamonds, phosphates, zirconium, titanium, cobalt, vanadium; is considerable with respect to antimony, copper, magnesium, molybdenum and tungsten; and is not negligible with respect to chrome and tin. The setting up of a stockpile therefore seems imperative. But it is evident that this vulnerability is also related to the geographic origin of these raw materials and the degree of their strategic nature.

It is thus necessary to define what kind of stockpiling one wishes to set up before selecting the means of financing it. Is one seeking merely to have a stockpile available of products deemed to be strategic (cobalt, zirconium, etc.), or does one want--within a broader concept--a reserve that can be utilized in the event of economic penury or even of a temporary upsurge of prices? Five years after the initial decision the choice has still not been made. For its part, the FRG [Federal Republic of Germany] decided to stockpile the equivalent of 8 months' consumption of the six most strategic raw materials which would be lacking in the event of a crisis in South Africa (LE MONDE of 19 June).

A broad concept would require an outlay of nearly 4 billion francs (1979) between now and 1985 to establish a stock pile amounting to 2 months' consumption. More limited reserves would demand half of that sum.

#### Five Lost Years

Who is going to pay? There again opinions differ depending upon the ministries concerned and the choices to make.

If one assumes that the stockpile should be purely strategic, budgetary financing would be essential. But the Ministry of Finance is little inclined to accept such a possibility. If one envisages more economic reserves, it would be plausible to have the industrialists participate in that effort which hardly suits the Ministry of Industry, ever concerned with safeguarding the competitiveness of enterprises and with not overburdening its costs.

A series of proposals--not exclusive ones--are circulating between these two extremes. For example the utilization of the Bank of France's foreign currency reserves. Yet that assumes the concurrence of the other national banks and of the IMF [International Monetary Fund] (because of the difficulties of mobilizing and accounting for such resources). The giving up on the other side of the Rhine of this idea so long supported by the minister of finance, Hans Matthoefer, nevertheless appears to condemn it in France.

The German example does not leave one unconcerned. The FRG has entrusted a state bank, the Kredit Anstalt Fuer Wiederaufbau, with financing the establishment of this stockpile, it being understood that the evidence of this bank's indebtedness can be called for delivery at the Bundesbank.

There is also talk of a means for multipurpose investment which would lead banks, individuals and insurance firms to be involved (the financing of the relevant interest being included in the budget). Why wouldn't the insurance companies which invest the main part of their technical funds in transferable securities and to a lesser degree in real estate, not have raw materials (even if current regulations forbid them from doing so)? All the more so in that it is not poor business. The GIRM [Metal Importing and Distributing Group], which in 1975 was entrusted with managing the stockpile, today has available products estimated at 440 million francs based on the June rate (for an initial investment of 250 million francs).

The Elysee, which finally seems to want to speed things up, will probably reach a decision sometime in September in the hope that the 5 lost years will not have an unfortunate impact if southern Africa becomes destabilized.

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## EUROPE'S AIRCRAFT INDUSTRY SEEN FALLING BEHIND

Paris LE MONDE in French 4 Sep 79 p 20

[Interview with Georges Hereil by Jacqueline Grapin]

[Text] Former chairman of the South-Aviation National Aeronautical Construction Company, from which he resigned in 1962 when the Concorde project was launched, chairman, then administrator of the Simca Automobile Company which became Chrysler France, and a member of the Chrysler Corporation's board of directors in Detroit until 1974, Georges Hereil, who has since been president of the supervisory board of the real estate and financial company Agache-Willot and who is vice president of the supervisory board of Hewlett-Packard France, gives here both a retrospective and a prospective look at the fate of the aircraft and automobile industries.

[Question] Given the name of "the father of the Caravelle," you voluntarily resigned from the chairmanship of South-Aviation at the time the Concorde operation was launched. Now you are watching the development of the Airbus affair. Do you conclude from this that there is still a place for European aircraft construction in a world market dominated by the United States?

[Answer] I conclude, indeed, that there is a place but that much time has been lost. The aircraft industry is indisputably one of the references for rating Europe in the world. I have always been a supporter of international cooperation. When I thought of the Caravelle, I thought that in France we did not have the capacity to produce satisfactory airplane engines. Now we have it, thanks to the efforts of SNECMA [expansion unknown] but at the time I said, right away, that we needed English engines. I learned later,

with regard to building supersonic transport planes, that it was desirable for mankind to attempt a collective effort. For my part, at the time of the Caravelle I had conceived of the idea of launching two new machines. The one we have today is somewhat of a hybrid. What we needed was one shorter, medium-range courier aircraft, which I called the Intercontinental, and one longer, faster, larger Mac 3-5, for transportation around the world. I wanted to call one "Europe" and the other "America," for the whole of this plan, which I defended in 1960, was a plan for cooperation, showing on the one hand the European tie and on the other the capability for collaborating with the United States. There was a great deal of logic in this. Besides, the day that we decided to attempt a European cooperation, we had to begin with the English: I found myself again with my British colleague and we burst out laughing when we realized that our plans were almost the same.

[Question] This is what finally happened, since the Concorde is a long-range courier and the Airbus a medium-range one . . . .

[Answer] I say no, that is completely beside the point.

[Question] What is the difference?

[Answer] The Airbus, which I call the Aerobus and not Airbus (it is more Latin) is a plane on which I spent 1 billion old francs in 1960. The technical departments called it "big Julie" because it was conventional and because they did not like it very much. It came, but a little late. Today it is reaping the fruits of its qualities but after a period during which it was too much ignored because it was taken too much for granted. It is still possible to develop this plane in any way.

As for the supersonic, we should have avoided what was done, which was a French-British duo, and we should have obtained a general agreement between Europe on the one hand and America on the other, both sides cooperating in this costly project about which I had said that, since it was the fastest plane it also needed to be built the most slowly. Why? Because there is no need for many of them. They will never be profitable. The very performance of this plane meant that the series would be very short. When I heard one minister speak of 400 planes in the sky, I thought that the euphoria would not last. In conclusion, by blocking everything on this project, we have lost time. We have not exploited the third and fourth generations of Caravelles, which could have been done, and we have delayed the Airbus.

[Question] Is the Airbus sufficient to set up a European aircraft industry?

[Answer] Unquestionably. Even if it is delayed, my old dream is being realized.

[Question] Should not Europe have a more complete range of planes to offer?

[Answer] One cannot do everything. By dabbling in everything, one succeeds in nothing. I am in favor of a well chosen "breach" policy.

[Question] Will there still be room for a national, or more precisely, a nationalistic aircraft policy?

[Answer] No. Absolutely not. Except when the country is a continent.

[Question] Does that not have implications on defense?

[Answer] The needs of countries in the area of defense vary according to their weapons system and their geography. They are different. Which does not prevent cooperation, but does allow for more scope. One should try to have the complete range that corresponds to one's equipment. That was, in France, Marcel Dassault's genius in the military domain.

[Question] To what percentage of the world market can the European industry grow?

[Answer] There is no limit, unless it is that no one in the world can have the answer to every problem and that conversely the American antitrust law itself testifies to the need for competition.

[Question] You have been president of Chrysler France. After welcoming the agreement signed last year with Peugeot-Citroen and seeing the collapse of Chrysler in the United States, observers are divided into two camps: those who think that Peugeot-Citroen made a good move by increasing its size to get closer to the "critical mass" of major world firms; and those who deplore the fact that the French firm has salvaged out-of-date pieces from an industry of old models, while they were expecting a technical revolution. Chrysler-Great Britain has problems, and so on.

[Answer] I think that Peugeot did well. For Europe, it is very good, for throughout the crisis in which Chrysler is struggling, the primary concern

of its leaders is obviously to find the American boat, and the European branch was right to save what it could. As far as England is concerned, the least that can be said is that its workers lack discipline and its whole automobile industry is in a crisis because it is incapable of any serious production. The British unions must beware, because if they want to commit suicide, they can do it. At the current time we are not seeking to establish new automobile industries, but rather to get rid of them.

[Question] Would it still not have been better for the Peugeot-Citroen group to have preferred to invest in preparing for the automobile industry of the future, in the same way as the Americans and the Japanese, who have announced completely new models for 1983?

[Answer] Be careful. We are very well situated in Europe. You said "in the same way as the Americans and the Japanese." You should have said that the Americans and Japanese are reorienting themselves to the Europeans, who have for a long time been specialists in small and medium-size cars with relatively low gasoline consumption.

[Question] Will not the arrival of electric cars or models of a totally new type on the market risk redistributing the cards?

[Answer] Oh! Electric cars, we know what they are: I had one during the occupation. It will be a long time before they succeed in getting with them as satisfactory a performance as with gasoline-powered cars. Whatever progress is made in the future, I risk absolutely nothing in stating that the electric car cannot replace the other kind, even in times of great shortage. Where a new competition will develop is in the demand for more efficiency from cars. This is where the revolution is. As far as I am concerned, after having had American cars, I now have a small Horizon in which the electronic dashboard gives me my average speed, my current speed, my immediate consumption, and my consumption per 100 km. By guiding oneself, one ends up by spending little. And that's not the end. However, in my opinion, for the time being the cost of petroleum is not yet a determining constraint for the automobile industry, which is responding to a phenomenon that I call "conquest of the ego." You hear people talking of "my" engine, "my" carburettor, "my" jet, through an identification with the organs of a car. One does not renounce one's ego too easily.

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## COMMUNIST-CONTROLLED CGT LABOR UNION HOLDS 'ACTION WEEK'

Georges Seguy Explains Reasons

Paris L'HUMANITE DIMANCHE in French 22-28 Aug 79 pp 22-24

[Interview with Georges Seguy, secretary general of the CGT, by Robert Lechene; date and place of interview not given]

[Text] The CGT [General Confederation of Labor] is stoking up the trade union fires. From Monday, 3 September, its leaders and activists among the workers, millions of pamphlets, as a prelude to a week of delegations, or work stoppages, and rallies. On Wednesday, 5 September, in Paris, at the Place de la Republique, an after vacation meeting with Georges Seguy, the size of a demonstration. Why this promptness of action? The secretary general of the CGT explains why.

[Question] The initiative for immediate action which was first announced by the CGT has naturally incensed the employers and the government. But it is also sharply criticized by the other groups of affiliated trade unions. The CGT is accused, for example, of not taking realities into account, of being thoughtless ...

[Georges Seguy] The idea for this action week, beginning on the first day after people return from their vacations, occurred to us immediately following our press conference of 7 August. At that time, we made known the five urgent demands formulated by our confederal board in the face of the brutal consequences of this summer's government decisions. These demands are, as I recall them quickly: the immediate payment of an increase of 200 francs per month; a price freeze; a revaluation of retirement benefits, pensions, and state benefits paid to the family, as well as the payment of a return to school allowance of 600 francs per child; the introduction of a 1 percent tax on large fortunes; a 0.5 percent tax on the profits of large companies.

At the same time, we stated our intention of assuming all our responsibilities in order to allow the expression of a massive response by the workers

as soon as possible. The initiative which we have just announced is the concrete evidence of this.

The decision was made on 9 August during a meeting of our executive committee, enlarged by the addition of the leaders of our federations and regional unions. All these activists believed, with enthusiasm, that this initiative is not only just in view of the seriousness of the aggression, but also that it meets with an undeniable desire for action among the workers. Far from being thoughtless, it challenges the view according to which the workers, even though painfully hit, are incapable of reacting because of trade union and political divisions.

[Question] What is such an assessment based on when Edmond Maire, while refusing to view the return "with red glasses," rather seems to doubt that the fighting spirit of the wage earners is very high?

[Georges Seguy] Our executive committee and the activists who were consulted had no trouble at all making up their minds, basing themselves on observations gathered in companies which were in operation at the beginning of August, as well as in the large popular vacation spots where our unions were often present to distribute pamphlets and to talk.

All of them produced the same findings. The wage earners are well aware of the scope of the blow levelled at their living conditions and at the same time the feeling of injustice arouses in them a feeling of indignation close to anger. On the one hand, their social security contributions are being increased, while on the other hand, employers' debts running into billions are being exempted. On the one hand, their purchasing power is being severely affected, while on the other hand, the profits of large capitalist companies have increased another 28 percent on the average during the last accounting period. The class nature of this policy having thus been better perceived, there is a growing desire to stand up to it.

Without false modesty, the effectiveness of the explanations which only the CGT, on a union level, presents in opposition to the authorities and the employers -- who attribute the inevitability of these new draconian austerity measures to the increase in gasoline prices -- cannot be disregarded either. If the real effect of this gasoline price hike, which only amounts to 0.7 percent as compared to an overall price increase of 12 percent, were to be better known -- and we are working to do this -- the bluff would be deflated, fatalism would take a step back, and hesitation to take recourse to struggle would vanish.

I would add to this the acute anxiety which is produced among the workers, and even beyond them among a large section of public opinion, when they see the mutilations suffered by the major sectors of our economy, of our society, of our national future. Without the steel industry, without the computer industry, without ship building or repair, without a coherent health system, with the number of unemployed breaking records year after year, France runs the risk of losing its place among the large developed nations. In this

respect, the affair of the "France" is symbolic of a policy of abandonment, of selling off the vital interests of our country. But the emotion which was manifested, the mobilization which occurred around the liner, also confirm the fact that matters are much better understood today than they were yesterday.

From this point of view, I believe that our initiative will also contribute to holding in check an economic and social policy completely submissive to the profit goals of large capital. It takes part in opening up perspectives of change.

[Question] Does this not give credit to the criticism of those who, like Bergeron, accuse the CGT of becoming an instrument of the PC [French Communist Party] in its "relentless struggle" against the Barre government, which was announced by Georges Marchais at the beginning of August?

[Georges Seguy] We run our union struggle as we wish. We have never accepted any limitation at all on this freedom of decision, neither in terms of the options of the CGT, nor in terms of its program or its action.

If an energetic attitude were to be expressed by the political forces which claim to represent the interests of the workers, in order to bring an end to the catastrophic policy of which Mr Barre has been the zealous architect for the last 3 years, we would be the first to congratulate ourselves for it, it being well understood that this could only occur with absolute respect for our union independence.

[Question] In the face of the intransigence, which has specifically been one of the characteristics of the Barre government, how effective can the CGT hope its initiative to be?

[Georges Seguy] Evidently, the announcement of our action week -- together with the echo it will have in the labor world during these days of a particularly difficult return to work -- is not extraneous to Mr Barre's announcement of measures intended to ease the pain suffered by the most underprivileged as a result of this summer's government decisions. We have no illusions as to the scope and the duration of the relief brought by this kind of measure which seems more like an attempt at a local anesthetic. But the government's recognition that something needs to be done, gives increased value to the steps we have taken and make the urgent demands we have formulated, and which we are ready to discuss with the government and with the employers, stand out further.

Another merit of our action week is that it carries with it the prospects for larger scale union struggles. And only these struggles can succeed in forcing the government and the employers to retreat, the importance of which should not be underestimated but, on the contrary, should be evaluated in terms of the difficulties involved in carrying them out. It should not be forgotten that thanks to these struggles -- and contrary to what has happened in neighboring countries such as the Federal Republic of Germany and Great Britain -- we have managed up to now to preserve our purchasing power.

It is true that, today, both the government and the employers want to disregard the resistance of the unions and strike harshly. It is all the more necessary for them to be met by a vigorous reaction from the side of the workers, a reaction for which the CGT has taken the initiative and which has only just started.

In consideration of which it is not at all certain yet that this summer's government decisions could be applied in their entirety. Mr Barre will find that the fighting spirit of the wage earners cannot be blown out like the three candles on his anniversary cake.

[Question] Is not the fact that the CGT became involved by itself and under fire of criticism from the other groups of affiliated trade unions, prejudicial to the unity of union action to which the workers aspire so strongly?

[Georges Seguy] As a matter of fact, our action week, which by the way will start with a day of information and recruitment for the CGT, is a specific initiative of our organization. Which is not without precedent in the history of the union movement, and we do not question the right of other organizations to take their own initiatives.

It could have been a unified initiative if we had found among our partners in the other organizations a shared desire to act very quickly as we believed it to be necessary and desirable. But what could not be accomplished for the first week of September may possibly be accomplished later on. Because there is no question of our giving up on united action, which remains a constant concern of the CGT.

By contributing to the increase of the overall fighting spirit, our initiative will undoubtedly help remove the obstacles which are still holding up the establishment of full unity of union action.

#### Details of Demonstration

Paris LE MONDE in French 7 Sep 79 p 36

[Article: "The Action Week of the CGT: Less Than Fifteen Thousand People at Paris Rally"]

[Text] How many were they on Wednesday, 5 September, in Paris at the Place de la République? Forty thousand according to the organizers, 10,000 according to police headquarters, in any case less than 15,000 according to our estimates. Announced as the high point of the CGT's "week of information, of union strengthening and of action," the rally scheduled for approximately 1600 hours for the wage earners of the Parisian region remained medium sized, in spite of the strong contingent of publishing house workers and of CGT reporters who had demonstrated 2 hours earlier at the Place de Valois, in front of the offices of Neogravure.

Classic slogans -- "Union, action, with the CGT!" -- the absence of red flags, the lukewarmness of the participants (apparently more interested in talking about soccer and vacations than in listening to Mr Georges Seguy's speech), everything worked toward turning this demonstration from the kick-off of the return from vacation, into a ritual celebration, one more demonstration.

For the rest, one noticed the usual delegations from the capital and from the suburbs, dominated by the metal workers, the workers from t... PTT [Postal and Telecommunications Administration], the municipal workers, the workers from the EGF [French Electric and Gas Company] and the chemical industry workers.

But where were the thousands of unemployed from Paris, the wage earners of all the companies threatened by closure, the immigrants evicted from their homes? The procession which, around 1730 hours, went as far as the Porte Saint-Denis, was not a demonstration of a response to the "summer hold-up" by the government and the employers, but rather a demonstration of activists, a little surprised by this "action week" which had been decided on in the middle of the paid vacation period. But appearances are still deceiving.

The leaders of the CGT -- who insist on the success of their initiative and who point to hundreds of demonstrations before companies in Paris and in the provinces, will meet on Tuesday, 11 September, to determine the new action proposals which will be presented to the CFDT [French Democratic Confederation of Labor]. It is only after this meeting -- next week -- that the CGT, with or without the CFDT, will submit its projects to the other groups of affiliated trade unions ...

"Having failed -- unlike their allies in certain neighboring European countries -- to obtain the collaboration of the unions in their policy of social regression," Mr Georges Seguy stated specifically, "the French government and employers launched a violent offensive against the purchasing power of wages and pensions, against social rights acquired long ago, against our system of social protection, all of this accompanied by an upsurge in the number of cases of violation of union liberties and by an extreme manipulation of the principal means of information."

After having denounced the "pillaging by the multinationals" and the departure of the former "France," the number one man in the CGT added: "And now this policy of abandonment is about to go so far as the sharing of the French nuclear force with the German army, this in the name of a European defense which would sanction the liquidation of the independence of our national defense and would seriously threaten peace."

"(...) By making public, on 16 August, our call for an action week to start on the first day following the return from the holidays, we created the conditions for a response which has only just begun. (...)"

"Our comrades from the CFDT have sharply criticized us for going it alone; it was up to them to come and join us; and we would like to point out in a brotherly way that we are still waiting for the slightest word, the slightest sign on their part which might have led us to believe that they would have sincerely wished to share the responsibility with us for an action beginning the first week of September."

#### No Priority to Differences

For the near future, the CGT leader recalled his proposal for a meeting of five with the groups of affiliated trade unions. "Our CFDT comrades preferred a preliminary meeting of two: consequently, it will take place."

"But it must be clearly understood that this bilateral meeting cannot end in unilateral decisions for the other union organizations."

Agreeing to discuss the "remaining differences" with the CFDT, Mr Seguy added: "At a time when we are being attacked in such a violent manner by the government and the employers, priority does not go to a dissertation about differences (...)."

"The CGT-CFDT meeting should be followed quickly by a meeting of five (CGT-CFDT-FEN [National Education Federation]-FO [Workers Force] and CGC [General Confederation of Managerial Personnel]), and if -- as they have given us to understand -- the leaders of the CFTC [French Confederation of Christian Workers] wish to participate, we do not, as far as we are concerned, have any objections to it."

"(...) In any case, the CGT will not leave the field open for the government and employers' offensive: with six, with four, with three, and even alone if necessary, we will take up the challenge."

At the end of his statement, Mr Seguy talked about the upcoming national elections for the labor-management conciliation board, scheduled for 12 December: "We protest against the increased obstacles presented by, if not the sabotage indulged in by the employers in order to try to compromise the normal and democratic progress of the labor-management conciliation board elections."

"Everything is happening as if the CNPF [National Council of French Employers], the government and others had determined that it is their goal to prevent a national vote which would measure the representativeness of each union organization, including that of the managerial personnel."

"One more reason to prepare actively for these elections by closely tying voting and membership."

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## MEDICAL LABS GROUP TO FAVOR CREATION OF NEW INDUSTRIES

Paris LE MONDE in French 29 Aug 79 p 7

[Article by LE MONDE correspondent Georges Sueur: "Thirty-six Medical Laboratories Join Efforts to Promote Creation of New Industries"]

[Text] Lille. Thirty-six teams of university and industrial laboratories have joined efforts in Nord-Pas-de-Calais, setting up a pool of biological and medical knowledge. This group, set up last June under Professor Moschetto, a researcher at the Pasteur Institute in Lille, would like to develop new industries on the basis of medical research. Such an ambition is quite natural since 70 percent of the medical material used in France is imported. This activity is within the frameworks established by General Authority for Scientific and Technical Research (DGRST).

Therefore, university and industrial laboratories are cooperating in biological and microbiological analysis, informatics and automation of biomedical instruments, aid to the handicapped, and non-ionizing radiation. Some projects have already reached the industrial and commercial stage. Brilliant results have been achieved in only a few years: pulmonary observation instruments, microwave tumor detectors, automatic translators into Braille for the blind or victims of visual defects, seats for handicapped, controlled by movements of the head, ultrasound cardial transmitters developed by researchers at the University of Valenciennes, an apparatus which monitors the heartbeat of the fetus at birth. The biological and medical pool of Nord-Pas-de-Calais is the second most important in France, after the Rhone-Alpes group.

On the other hand, the Pasteur Institute in Lille, headed by Professor Jean Samaille, is planning an extension of its Steenvoorde center in Flanders, which is engaged in the production of biological reagents used in pathological microorganism research. This plant, with a personnel of 54, will have some 20 additional job openings in the near future.

However, there is more and more talk of an even more ambitious project: the creation of a European toxicological center which could provide some 100 jobs. The center would be located on some 100 hectares in a municipality in the Lille area. The project is already quite advanced: the 30 million investment will be financed one-half out of public funds (7.5 million by regional public institution and as much by the state); the other half will be financed by the involved industries (food, cosmetics, chemical, pharmaceutical, etc.).

This establishment will meet the ever growing number of requests for analysis required by virtue of food product exports. On the national level there are few laboratories which could compete on this level with American or British units.

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CSO: 3100

## OPPOSITION PARTIES EXPLOIT ENERGY CRISIS

Athens I VRADYNI in Greek 22 Aug 79 pp 3, 10

Article by Sot. Khatzidakis

Text Our political life has been embroiled recently in a controversy which, I fear, will have deplorable consequences for our country unless all of us, politicians as well as the public, rise to the demands of the situation and view the problem comprehensively and in a patriotic spirit. This controversy has resulted from primary causes such as inflation and the energy crisis and from secondary influences, mainly the policies of the opposition and their effect on public opinion.

It has been repeatedly stressed that in our country inflation is largely "imported." It comes from abroad. For this reason, it is difficult to deal with effectively because it is impossible to solve a problem without striking at its root. In our case, it is impossible for any Greek government to implement a policy which will attack inflation abroad.

To a lesser extent, however, our inflation has domestic origins. It is a product of our economic development. It is an inevitable phenomenon in a free economy, an economic law, I might say, known to first-year students of economics, as long as it remains without certain limits.

From another point of view, domestic inflation is due to two classic causes: to the intensification of consumption--which has reached the level of a consumer orgy in our case--and to the lack of a corresponding rise in production, which is tantamount to a setback in production.

The increased consumption in Greece since the end of the dictatorship has been due basically to the conditions created by the autocratic policies of the dictatorship: to the economic and income restrictions and lack of freedoms; to the lack of salary and wage increases, etc.

The consumers whose behavior during the dictatorship was determined by dictatorial fiat which in effect held captive their just economic demands, sought the satisfaction of these demands following the fall of the dictatorship.

The government for its part, for the sake of social justice and social balance, took immediate steps to satisfy the most pressing needs such as the increase in lower wages, pensions, etc. This unprecedented super-consumption would have had tragic consequences for Greece had the government given in to the demagogic demands of the political opposition which to impress the people was asking for more benefits than those sought by the various social groups.

The demagogic policies of the opposition were so extravagant that they often resulted in unreasonable and contradictory demands. While the opposition on one hand encourages a consumption behavior which borders on waste, on the other hand it accuses the government of causing the inflation.

Of course, the inflationary pressures caused by the increased consumption were intensified by the lack of a corresponding increase in production. Here, too, the opposition bears some of the responsibility. With its attacks and sloganeering against certain productive classes, it discouraged private investors to such an extent that the index of private investment fell off considerably.

Both the imported and the domestic inflation require economic counter-measures. But when the rate of inflation is excessive there is a need for administrative measures to support the economic measures. This is exactly the point we find ourselves at today: the implementation of administrative measures.

#### Counter-Measures

The energy crisis resulted from the insurmountable scarcity in one of the production factors, with one difference: it came sooner than expected and for this reason the suspicion is growing that the crisis was created or speeded up by the superpowers for purely political and strategic reasons.

The Greek side decided that to meet the crisis it was advisable to take long-term measures and also measures of immediate effect. The first group includes exclusively economic measures which require basic structural changes in the economic system. For this reason they could not be adopted without a prior study.

With its long-term measures, the government's policy will tend to reduce Greece's dependence on oil both as an energy source and as a raw material. The second category of measures includes primarily administrative, temporary measures designed to hold back certain consequences and bring some relief to the economy.

It is perhaps a happy coincidence--if one can use such an adjective in such a pessimistic atmosphere--for the government that its short-term administrative measures have beneficial effects on the war against inflation.

The governmental policy is hard because it aims at hitting the profligate and ostentatious consumption (anti-inflation targets). But it is not directed against the people, as some people say, because it is not going to harm the basic needs of the low income groups. On the contrary, it is beneficial to the lower income groups--and not demagogic--because it assures the satisfaction of the basic needs of the low income groups at a time of inflationary pressure.

And this is the critical point of the governmental policy. Because a policy of frugality, although in itself a wise measure, deprives a section of the population of unnecessary pleasures, and it is attacked by public opinion because it creates a mass psychology of deprivation. And so, we see people who never stay out very late at night condemning the measure to close down the night clubs by two o'clock in the morning.

Moreover, this policy of frugality--in spite of all the contrary and hypocritical claims of the opposition--basically hurts the higher income groups. Because on the one hand the wasteful consumption, which is now being curtailed, is committed primarily by those high income groups, while on the other hand the basic consumption items (in the contemporary meaning of the term) are not affected.

#### Reaction of the Opposition

The opposition not only exploits the psychology of the public but even intensifies it with its irresponsible criticism, its demagogic statements which thus gets it temporary applause. The country, however, suffers dramatic consequences.

The opposition's demagogic orchestration strikes a responsive chord in the populist theory of the underprivileged Greeks, emanating from the embedded belief on the part of the average Greek who considers himself mistreated and underprivileged.

Without defining the privileged or the underprivileged classes, the opposition tries to gain political benefits even from economically stronger groups by shifting the blame for the "privileges" to the few--to the strongest in each group. Nevertheless, because this theory often leads to an impasse since the opposition cannot cover even a small fraction of its demagogic promises, it enlists its deus ex machina: the foreign and local monopolies, the multinationals, American imperialism, etc.

In this way it gets some temporary applause. Time works against it. The government, of course, which respects itself and is more concerned with having a sound policy than having public applause, prefers to do what is useful even though it may be temporarily unpleasant to the public.

In my political career I have been most impressed by what Premier Karamanlis said 2 years ago at the opening ceremonies of the Salonica Fair. "I prefer,"

he said, "to be useful to the country rather than pleasant." These are the words of a political leader who, although aware of the heavy political cost a sound policy may entail for the party, nevertheless does not hesitate to impose it, opting for the road of public duty.

This courage is more appreciated when contrasted with the attacks of the opposition and its friendly press, which aim at exploiting the political climate and obtaining party advantages.

The effort of the opposition to exploit the atmosphere of freedom that prevails in the Greek society will surely "boomerang" because the governmental policy, however harsh it may be, will prove beneficial in the long run. Eventually the moral content of this policy and the virtue of the government will be revealed in spite of temporary detrimental impressions.

Is there any reasonable citizen of our time who is more in favor of temporary than permanent benefits?

7520  
CSO:4908

## ADDITIONAL OIL DEPOSITS ESTIMATED IN KAVALA BAY

Athens TA NEA in Greek 13 Aug 79 p 13

Article by Pavlos Alisanoglou

Text Kavala Bay has 20 "oil wells" according to foreign oil experts who have been conducting underwater tests in the area since 1972. But to locate and accurately test those deposits will take many years, a great deal of money and, above all, experienced technicians. When this exploratory stage is over, Thasos will yield to consumption much greater quantities of oil (currently 15,000 barrels a day).

Related to this is an old statement by the former manager of the foreign oil exploring companies, John Ed. Brady, who said that "when in full production the Thasos deposits may yield as much as 180,000 barrels per day." This statement, of course, was the cause of his being reprimanded by the junta and being dismissed later by "Oceanic."

Do They Agree With Brady?

It appears that the foreign experts who are very familiar with the oil deposits in Kavala Bay agree with Brady's views, who was also extremely knowledgeable about "oil." A yield of 180,000 barrels can easily cover the domestic needs and even allow for exports. But this is a matter handled by very high officials. For the present we can take as fact that "Prinos," which has had known oil deposits since 7 January 1974 and covers 50 square kilometers, can yield 15,000 barrels of oil per day and 170,000 barrels of gasoline.

The work is moving forward in keeping with the timetable set by the Northern Aegean Oil Company. During the first stage, two platforms were installed and have already started their "productive" drillings in anticipation of regular operations scheduled to start next summer. All in all, there will be 16 to 20 drillings into the "Prinos" deposit and the oil will be drawn from the holes to be drilled.

In a few days the company will ask for bids to assign to foreign companies the construction of two underwater pipelines to carry ashore the oil and gas. The company will also ask for international bids to assign to a foreign company the construction of the storage facilities in Nea Karvali.

The separation of gas from hydrogen sulphide will take place there, and the clean gas will be used for the ammonia plant to be located near Nea Karvali at a cost of 120 million dollars. The hydrogen sulphide will be sold in a "hard" form to consumers and will cover 50 percent of domestic needs. The separation of oil from water will follow. The crude oil will be stored in tankers and for its refinement will be taken to the existing refineries in the country.

Together with all these projects, a "village" of prefab homes is being set up for the oil technicians and their families near the land owned by the Northern Aegean Oil Co. The "village" is being established to serve more effectively the company's employees and their families but also to avert their staying in Kavala thus alleviating the city's acute housing problem.

In summing up, the oil projects in Thasos are moving as fast as possible toward 1980 when the production of oil is scheduled to begin.

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CSO:4906

## EMBASSY IN VATICAN BEING CONSIDERED

Athens I VRADYMI in Greek 22 Aug 79 p 12

*[Text]* The question of establishing a Greek embassy at the Vatican will be settled through legislation following the negative opinion of the Council of State regarding the presidential decree.

The question of diplomatic relations with the Vatican was the subject of discussion at the Holy Synod which discussed the Council of State opinion, but made no public announcement. According to this opinion, which also reflects a narrow interpretation of Canon Law, it is not possible to establish a Greek embassy at the Vatican because the prevailing view in Public International Law does not regard the Vatican as a state in the accepted meaning of the term. In this view the Vatican "enjoys the right of active and passive diplomatic representation" but it cannot be equated with the usual states because it does not have general jurisdiction; its jurisdiction is limited to the religious sector. Moreover, it does not have people in the accepted meaning of Public International Law, its territory is very limited and it is subject to more than one legal regime.

In the opinion of the Council of State, the law on the organization of the Ministry of Foreign Affairs provides for the establishment and abolition of embassies but does not refer specifically to the Vatican. The same law defines the jurisdiction of the Ministry of Foreign Affairs on the country's relations with the Ecumenical and the other Patriarchates as well as with the international church organizations and the other religious denominations.

As is known, 80 countries have diplomatic relations with the Vatican, including, in addition to Christian states, Turkey, China, India and others.

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CSO:4908

## GOVERNMENT'S ECONOMIC PROGRAM PRESENTED TO PARLIAMENT

Rome IL FIORINO in Italian 10 Aug 79 p 2

[Article: "Nothing Much New In Cossiga's Economic Program"]

[Text] The second part of Council President Cossiga's program report is given over to economic and social matters. Cossiga began with some considerations of Italy's international relations and continued as follows:

"Concerning our pledge to collaborate with the other leading industrialized countries, let me remind you that the next world economic summit conference will take place in Venice in late spring, 1980. This duty, like the presidency of the EEC Council, requires us to make a major political and organizational effort; the groundwork must begin now. The next economic summit, which follows the recent one in Tokyo, will have to confront fundamental problems facing the orderly development of the international community, such as economic strategy, the fight against inflation and unemployment, energy, monetary and commercial problems, and interdependency with the developing countries.

## North-South Relations

"The other aspect is that of North-South relations. International collaboration should be stepped up in order to increase interdependence between the industrialized and the developing countries, and the action coming out of the 5th UNCTAD [United Nations Conference on Trade and Development] in Manila, in particular, should be continued, as it is an agreement to facilitate North-South understanding on the bases of cooperation. We will make a special effort to aid more impoverished countries in overcoming the great problems of hunger and malnutrition.. We attach the greatest importance to the fact that the socialist countries are also participating in this peaceful mission, as was reaffirmed at the last economic summit in Tokyo.

## Emigration

"As concerns emigration, the government intends to guarantee the fullest possible support and assistance to Italians abroad and to support their professional,

social, and cultural advancement. At the community level, in particular, we shall strive to insure our emigrants' taking their full and due part and especially to encourage them as candidates and voters in local administrative elections. Finally, the government will support the bill approved by the Council of Ministers in the last session of the legislature, with whatever modifications are agreed to in consultation with the emigration service, to establish a general council of Italians abroad.

### The World Economy

"The events of the past years have brought about a fundamental change in international economic conditions. Industrial societies must pay an increasingly higher price for the standard of living they have achieved, and this standard of living can be maintained only on the condition that the economic structure is adapted to the new situation. It seems likely that the world pricing structure will undergo periodic and systematic changes and that as a result the system of supply and demand in industrialized countries will also undergo large-scale, permanent transformations. Because of our country's many connections with foreign markets, we will be particularly sensitive to changes in the international economic order, and we must, therefore, be more adaptable. Only adaptable societies will be able to progress. Those that remain too rigid will be tied down and doomed to increasing decadence.

### Incomes and Employment

"The cost of this adaptation is certainly affordable and can be equitably distributed. The desired growth in incomes and employment in the Italian economy can be achieved only if the necessary changes in social behavior are achieved, and if the plan for transforming society gains the consensus and legitimization necessary to make this social behavior compatible with the development desired. There is not much room for maneuver. The way to the development we wish is becoming increasingly narrow, but leaving this path means running the risk of stagnation with inflation. Mid-term to long-term strategy should deal first with the rate of labor productivity and the accumulation of capital. The rate of labor productivity must remain highly competitive because our country can grow at a higher rate of development than that of other industrial countries only by increasing its quota of exports to the world market.

### The Energy Crisis

"The accumulation of capital must be consistent, for both its positive effects on labor productivity and the necessity of increasing private investment in the energy sector. More generally, a greater accumulation is required to make it possible to adopt production methods that are energy efficient. The recent price rise in petroleum products is injecting into the economy pressures that are both inflationary and recessionary at the same time. The oil-producing countries' decisions amount to an indirect tax that cuts into the Italian money supply through a greater rise in prices. For our country, this "petroleum tax" is double that which must be borne by the other industrialized countries because we are more dependent on foreign countries for energy source supplies and because we have more sharply graduated indexing mechanisms in Italy.

## Inflationary Pressures

"The depressing effect on demand and the upward push on prices will become fully evident in the coming years. The slowdown in development brought about by international trends can be substantially reduced and temporarily limited if we succeed in containing the inflationary pressures within our economic system.

"To this end, it is the government's intention to put into effect an articulated and differentiated policy in the various sectors; this will make it possible to reconcile objectives in the fight against inflation with the maintenance of incomes and employment according to the contractual coordination plan adopted in the 1979-81 three-year economic program proposal.

## Structural Change

"Our objective, which will have to be checked against experience in planning and programming, is to make possible in 1980 a higher growth rate in incomes and employment than now pertains. In this regard, we propose a structural change to insure maintaining the competitiveness of our exports and increasing the public and private rate of accumulation.

## Efforts Against Unemployment

"Along with the strategy of fully mobilizing all factors to sustain growth we have the absolutely top-priority duty to fight unemployment. In our country more than others, there are structural and territorial deficiencies that make all the more serious the effects of persistent job shortages, especially for youth and in the South.

"The situation caused by the energy crisis makes our task on this front all the more difficult and accentuates the necessity of developing complementary forms of support and especially the active labor policy already set forth in the appropriate chapter of the three-year program, which brings management and labor together on putting it into effect specific agreements on youth employment and labor mobility. But it would be illusory to think that once we go beyond these specific measures we can really achieve anything without untying the knots that are hobbling private investment. On this point will be determined the success or failure of the struggle for employment and the growth of the South.

## Contracts

"It is a simple fact that the main collective bargaining contracts are settled before the summer holidays; this will allow production to start up again in a more serene climate, which should avoid exaggerated conflicts in the future. Since the contracts are not too onerous for business or inflationary for the economy, it is essential that labor costs not increase later through integrative contracting at the management level and that productivity increases, especially, correspond to normative improvements. The government intends to propose to business the possibility of lessening the impact of increased international prices in proportion to the increase in deductions for family care that are due on the IRPEF tax.

## SME [Army General Staff]

"All the effort of our economic policy against inflation, especially as it originates inside our own country, is also due to our acceptance of the ties that the countries participating in the European Monetary System have freely imposed upon themselves. The EEC countries need an adequate system of productivity growth and a stable convergence toward a single level of inflation, which is an essential condition for keeping monetary exchange rates within their planned range of variation, which in turn makes it possible for the European economy to follow a course of sustained, stable growth that is equitably distributed among the various countries.

### Monetary Policy

"Monetary policy has been assigned the task of seconding this process and avoiding imbalances in financial movements. This objective can be easily achieved to the extent that public sector costs are less and hold down the overall volume of financing and creation of new money.

### Budget

"Government action in the economic sector, particularly concerning the budget, are going to be set forth in the basic documents according to law so that they may be presented to Parliament by 30 September. Besides the appropriation bill for 1980 and the continuing budget, there will also be presented the 1980 cash budget complete with breakdown and the three-year, 1980-82 budget based on present legislation. The planning and programmatic account will include budget preliminaries as an integral part and will contain preliminary revisions of projections in the three-year 1979-81 program. The government is thinking about asking Parliament for an exemption from the terms of law 468 concerning the presentation of the three-year 1980-82 budget drafted according to normative and coherent bases, as the law requires, with connections made between the general economic picture and its application to national economic policy. The government is bound to present the program and the three-year budget by 30 January 1980.

### Fiscal Policy

"In the area of fiscal policy, the yield requirements determined by the difficult public finance situation call for a gradual mid-term increase in fiscal income to meet expenses and reduce the public sector deficit. This result will be achieved especially through systematic action against tax evasion, with periodic reports to Parliament on the results obtained and the degree of success of the programs prepared. Tax returns will be continually kept up to date, and photocopies will be made available to Parliament and the public as is due a matter essential to democracy and for cross-checking among political and social groups.

"In short, these are the three main lines of action:

(a) allocating to various tax officials certain amounts of reduction in evasion of individual taxes by systematically utilizing the difference between the tax base and national tax collections;

(b) to reduce the amount of tax evasion, the government promises to fulfill the three-year program of restructuring and staffing the revenue service and the Tax Police, which constitute the heart of the service.

"The anti-evasion measures will include:

- a revision of the sampling system to increase its deterrent effects by using a "guided" selection based on both an across-the-board applicability to all Italian citizens and adequate publicity about its operations. The selection will be done through "taxpayer skimming," whereby large-scale tax evasion will become empirically obvious by certain fiscal indicators;
- introduction of a bill providing for the initiation of criminal proceedings before the case is definitely established, in the most serious cases; the legal definition of the kinds of actions penalized by law and an equitable transitional penalty for crimes previously committed;
- introduction of a bill to constitute a small, qualified group of inspectors who will function as ombudsmen in confrontations with the administration. They will have fully independent status and inspection and verification powers;
- completion of the action concerning registration of mobile property;
- introduction of tax receipts for public services;
- reintroduction of superseded inventory tax measures;
- initiation of cross-checking of IRPEF, IVA [Value Added Tax], and non-tax declarations;
- revision of mechanisms by which communes participate in tax certification and the participation of the communes themselves in claims against the commission.

"Besides fighting tax evasion, the government will propose some measures to reduce the amount of legal evasion in the manufacturing and agricultural sectors, and, more generally, unjustified exemptions, revision of INVIM [expansion unknown] and reform of local finances in the framework of the law on autonomy.

#### **Public Utility Rates**

"In the area of public service rates, it seems justified to continue a policy of gradually increasing the level at which current expenses are met and revising the rates themselves, which will reduce inefficiency in allocating resources and will give incentives to energy conservation. In all cases, the rates will have to be indexed to the cost of energy production directly or indirectly involved in public utilities.

## Public Costs

"Concerning public expenses, the gradual reduction of the current share poses great difficulties, because the main category of current expenses increases automatically, often at a higher rate than national income, and because the expenses of the coming years will be influenced by contractual renewals with those dependent on the public and by intervention in crisis sectors. For 1980 it seems necessary:

- to achieve the reform in health costs that will assure our meeting expenses as a percentage of national income, thus preventing the formation of 'hidden expenses.'
- to achieve the increment in productivity in the public administration sector through contract negotiations in 1978-81 in order to affect personnel costs; this is intended to insure generally useful results in terms of pay increases.
- to adhere to the rates met in 1979 for current expense growth in the regions and other local units.
- to return to the norms in the 1979 finance bill, which were approved only for 1979 and the rest transferred to bill No 2711 in the last session, this in order to collaborate closely with the reordering of the pension system, which is supposed to harmonize government and the norms relative to all salaried and self-employed workers.

"The objective of increasing public expenses for investment presents great difficulties. The rate of such expenses for 1979 is coming out lower than planned because of the legislative recess and the increasing decline in the productive capacity of the government and the regions, and not just in public entities. For the purpose of identifying difficulties in carrying out programs and finding ways of reducing excess ones, the task of following phases of investment costs will be given to a single central bureau responsible to the minister of the Budget and Economic Programming, who will have full investigatory powers and the duty to make periodic progress reports to Parliament.

## Industrial Policy

"Industrial policy requires an early reassessment of the legislative instruments available for making industrial policy effective. Experience with law No 675 indicates the necessity for simplifying some procedures. It is necessary to extend industrial research programs and give quick definition and operativity to horizontal projects. We shall have to shift from the criteria of sustaining sectors and businesses in decline to favoring the renovation of productive equipment by moving business from sickly to more efficient organisms. This can be done by extending the analysis provided for by law No 675 on the application of financial incentive laws to the other channels for providing public financial resources to private sectors.

## The Credit System

The crisis that has emerged in the productive system in the last few years involves industry and banking, and it casts light on specific problems

confronting the banking system as well as the problems of restructuring dealt with under law No 787. This concerns not only more technical aspects, such as capital development by banks and credit agencies but also aspects of rights of bank managers and the oversight organization.

#### Energy

"The key factor in any further development of industry is the cost and availability of energy sources. The government calls upon all citizens to help cut energy consumption. Energy has become very expensive and will continue to grow even more so in the future. The rate of supply and demand in the next decade shows a deficit that will require further increases in the importation of petroleum supplies, which will be increasingly difficult to find and hence to replace in the 1980's, unless the nuclear program is speedily implemented. The government will shortly give priority to all actions necessary to guarantee petroleum supplies and forestall the creation of socially intolerable parallel markets. In this connection, the government intends to undertake to modify the present system of price controls so that given the guarantee of a correct balance between costs and profits, the oil companies will fulfill their supply quotas promptly. The law on obligatory supplies will also have to be changed; these supplies will have to be distinctly reserved so that it will always be possible to keep a secure and simple check on them.

"In order to favor the introduction of alternative energy sources, we will first have to modify the present mechanism of thermal overpricing and the equalizing fund, which, in its present structure, definitely tends to stimulate electricity production by oil-burning plants.

#### Agriculture

"As concerns the more properly managerial aspects of agrarian policy, the time for adopting the plans provided for in law No 984 will be shortened in order to allow the regions to begin investing. The food plan will be presented in full with the three-year plan; community regulations, the four-leaf clover law, and other recent administrative acts are a part of it.

#### Housing Policy

"The plan for housing allowances to increase the flow of financing into this sector will be promptly brought before Parliament. In the meantime, on the basis of existing legislation, we favor indexed real-estate taxes intended to finance mortgages, which should also be indexed for the renovation of old housing or the purchase of new housing, particularly for young couples in the most heavily populated areas of the country. A program in this area will be completed by the end of the year."

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CSO: 3104

## LIBERALS, CENTER PARTY REACHING TOWARD UNEASY ENTENTE

Stockholm DAGENS NYHETER in Swedish 16 Aug 79 p 30

[Commentary by Sven Svensson: "War of Nerves in the Center"]

[Text] The war of nerves between the Liberal Party and the Center Party, which has to do among other things with whether Ola Ullsten or Thorbjörn Fälldin shall be prime minister in case of a victory of the non-socialist coalition in the elections, is a new feature of the election campaign this year.

The personal differences between the former colleagues have intensified since the change of government in 1978, and also the two parties are on a collision course with regard to several issues. The antagonisms oscillate between distrust and contempt.

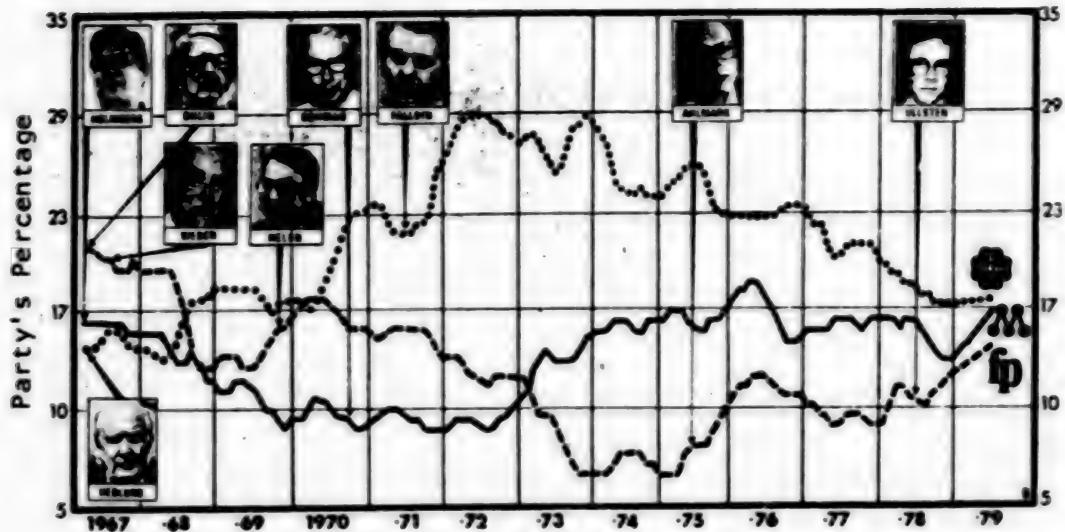
A Swedish election campaign consists of two distinct phases. First and foremost there is the traditional fight for power, which is a conflict between the socialist bloc and the non-socialist bloc. The election contest also involves a fight for the power and the glory among the bourgeois parties themselves, which is at least equally intense. In many respects the party leaders' fate depends on whether the party gains or loses strength.

Since the beginning of the 1960's Swedish politics has been characterized by attempts at so-called cooperation between the Center Party and the Liberal Party. The common aim was to limit the Conservatives' successes. In addition, the Liberal Party sought to prevent the Center Party from collaborating again with the Social Democrats. The Center Party aimed at winning votes from the Liberal Party by avoiding criticism in the big newspapers.

#### Cannibalism

The hypothesis was that the parties would merge "when the time was ripe." On the Center Party's side there was never any idea that the time would become ripe. The center would eat up the Liberal Party--political cannibalism.

The great variations in the non-socialist party sympathies can be seen from a comparison of the SIFO [Swedish Public Opinion Research Institute]



The fight for the non-socialist voters is an unending triangle drama. SIFO has done a comparison of the opinion barometers from 1967 to 1979. The curves show that the parties' relative strength has varied widely during the period.

Diagram by Göte Bergman

..... Center Party  
 ----- Liberal Party  
 —— Conservatives

voter opinion barometers from 1967 to June 1979, which shows great fluctuations upward and downward.

In 1967 the Liberal Party was still the biggest non-socialist party, but it was passed in 1968 by the Center Party and the Conservatives. The Liberal Party hit bottom at the end of 1973 and the beginning of 1975, when Gunnar Helén, in an evenly balanced Riksdag, entered into the Haga agreement with the Social Democrats.

#### Top Mark

The Liberal Party's decline corresponds largely to the Center Party's rise. Thorbjörn Fälldin became party leader in the summer of 1971, and immediately afterward reached the peak of 28 to 29 percent. The explanation of this rise is as follows:

At the end of 1971 the three non-socialist parties held their first joint press conference. There the Social Democrats were pushed to the wall with demands for measures to reduce the high unemployment.

The non-socialist voters had long wanted a non-socialist cooperation in order to bring about a change of government. Thorbjörn Fälldin has stood out from that time as the non-socialists' undisputed leader, even though it was Gunnar Helén that engineered the joint non-socialist press conference.

### Decline

The Center Party's real decline began in 1974, the year after opposition to nuclear energy was introduced into politics as a big issue. The decline has continued ever since with occasional interruptions.

In 1976 Thorbjörn Fälldin was the non-socialists' candidate for prime minister in spite of his promise to develop nuclear energy, to provide 400,000 jobs, and to make child support payments for which there was no political cover. The other party leaders lay down and played dead rather than jeopardize the change of government they had been longing for.

In the fall of 1978 Fälldin's three-party government fell over the nuclear energy issue. That marks a clear line of demarcation in bourgeois politics. The non-socialist parties became about equally strong, just as in the middle of the 1960's, and party egoism came into too full bloom. Again the most important thing came to be stealing votes from each other.

For that reason the first half of 1979 is characterized by a bitter fight between the Liberal Party and the Center Party for the wavering voters, while the Conservatives tried to advance the usual rightist causes, such as lower taxes, order in the schools, and no to all socialistic experiments.

### Fight for Power

After these schoolboyish pranks, the feeling between the Liberal Party and the Center Party deteriorated greatly, since a lot of seats were at stake. The fight for power is symbolized by Ola Ullsten's and Thorbjörn Fälldin's naming themselves as non-socialist candidates for prime minister.

Not only have the personal differences increased, with jibes in both directions. On political issues, too, divided opinions prevail between the Liberal Party and the Center Party. This applies, of course, to the still unsolved energy problem, but industrial policy and regional policy also give rise to differences of opinion, as do taxes. The child care payments to parents of small children are another unsolved matter of dispute.

### Voter Flight

In the Liberal Party it is believed that the starting position before the fall election is good, while the Center Party is under pressure not only from the Liberal Party but also from the Conservatives.

Fälldin's attacks on Bohman because Bohman has jeopardized the three-party government by his promise of tax cuts must be viewed in that light. Many of the Center Party's voters are traditionally quite conservatively oriented. The choice of Olof Johansson, former minister of energy, as second vice chairman of the Center Party has increased the risks of voter flight to the right.

The three non-socialist parties all have a nucleus of stable voters. But many non-socialists choose their party at the last minute. As a rule of

thumb, it is estimated that 10 percent make up their minds during the last few days before the election. If that large floating group should decide to vote for a single party, the shifts would be great.

#### Party Egoism

It is against that background that the hard verbal fight about who is really the non-socialist candidate for prime minister--Ullsten or Fälldin--must be viewed. The shifting non-socialist voters want a winner and an alternative to Palme. Even though Ullsten is fairly obviously prime minister at least until the plebiscite on nuclear energy, if the Liberals gain and the Center Party loses, for reasons of party egoism Fälldin simply cannot afford to withdraw as candidate for prime minister.

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CSO: 3109

**CENTER PARTY, LIBERALS FORM COMMON FRONT ON TAX POLICY**

Stockholm DAGENS NYHETER in Swedish 20 Aug 79 p 33

[Commentary by Sven Svensson]

[Text] The election contest jelled Sunday [19 August].

Ola Ullsten, leader of the Liberal Party, and Thorbjörn Fälldin, leader of the Center Party, made a joint statement that day on the economy to show that the parties of the center constitute the political alternative to the Social Democrats. In the statement it was declared that the three-party government's stabilization policy will be carried out.

In addition, a reform of the graduated income tax tables was promised for 1980.

Up to now the election debate has been marked by the Conservatives' having come out early with their tax reduction promise, while the Social Democrats directed hard attacks against the Conservatives and against the Employers' Association's political campaigns.

**Out of Sight**

Both the Liberals and the Center Party have thus kept pretty well out of sight in the election campaign. The joint statement of the two parties of the center is aimed at emphasizing that they constitute the economic alternative to a Social Democratic policy. The statement means to emphasize that if the Conservatives want to be in on a non-socialist government they must support the policy of the two center parties.

Discussions on the statement have been going on during the last 3 days. Agreement was reached Sunday at noon between Ullsten, who was at Harpsund, and Fälldin, who was at home in Ramvik.

No new positions or promises were expressed. Criticism of the Conservatives' tax reduction promise had been offered in recent weeks by both

Fälldin and Ullsten. The fact that the center is now eager to reduce the income tax differentials had also been brought out earlier.

#### No Program

The statement is not to be regarded as a government program. Indirectly, however, it will be significant in the matter of formation of a government, if there is a non-socialist majority in the election. The two parties of the center are now more or less committed to solving the tax problem together, regardless of who is in power up to the time of the plebiscite on nuclear energy.

On several important questions opinions are divided between the Liberals and the Center Party, in spite of the joint statement. This is true, for example, of the financing of the tax revision, where the Center Party wants to raise the MOMS [value-added tax] and the Liberals the old-age pension tax. Nor has the Center Party's demand concerning the child support payments been solved. What is more important, however, is that the oil situation will soon require measures to be taken in the economic field. What measures shall be taken is not touched upon in the statement.

#### Back in 1960

At the time of the 1960 election campaign there was a joint statement by the then party leaders, Bertil Ohlin [Liberal] and Gunnar Hedlund [Center]. The 1979 statement, which takes up 3 pages, is thus following an earlier precedent.

Several paragraphs of the statement are based on the statements made by Ola Ullsten in DAGENS NYHETER after the government's Haga meeting on oil and at the beginning of the election campaign in Stockholm Thursday [16 August].

It is emphasized in the statement that the three-party government's stabilization policy will be carried out. Devaluation of the krona and abolition of the general employer's tax have strengthened the ability to compete both on the home market and on the export market, according to the statement.

#### Exports Increase

The statement emphasizes that exports have greatly increased and that the number of job vacancies in industry has increased. For that reason it is said that the Social Democrats are wrong in their criticism of devaluation and other measures which gave Swedish industry a better competitive position.

Great problems remain. The expenditures to combat unemployment and protect social security have resulted in a great budget deficit. The rising oil prices constitute a heavy burden.

It is also pointed out that last spring the Liberal Party and the Center Party worked out joint guidelines for economic policy.

Several principal demands are noted in the statement:

Achieving a balance in foreign trade requires that Swedish industry maintain and if possible increase its ability to compete. For that reason the Social Democrats' proposal for increased costs in the economy, principally due to the PROMS [production tax], is rejected. Strong measures are needed to increase labor mobility within regions. Regional policy is strengthened, with special attention to direct support to increase employment.

#### Agreement

A quiet movement toward agreement must be facilitated. That requires tax reform, among other things. We attach importance to the inflation adjustment and we will lower the income tax differentials in the ordinary brackets, the statement says. It is the most important tax reform since the decree on municipal tax equalization.

The possibility of increasing consumption is limited for the next few years. Great restraint is necessary to make room for investments, increased housing construction, and increased exports.

The promise to lower taxes can only be carried out at the cost of increased budget deficits and increased borrowing, it is stated, with reference to Bohman.

In years when great austerity is called for it is especially important for the distribution policy to be fair. Resources must be used first of all to protect vulnerable groups, such as the handicapped, pensioners, and families with children. Ensuring the right to work must be a principal aim, and that requires great expenditures.

8815  
CSO: 3109

## NAVY PLANNING FOR NEW SUBMARINE SERIES AFTER 'NAJAD'

Stockholm DAGENS NYHETER in Swedish 14 Aug 79 p 29

[Article by Henric Borgström, DAGENS NYHETER special correspondent]

[Text] Malmö, Monday [13 Aug]--"Najad," the third new submarine for the Swedish navy in a year and a half, which was launched Monday [13 August], cost 80 million kronor to build (not including armament, periscope, etc.). The navy would be able to order a fourth submarine in the same series from Kockum's shipyard for 40 million kronor, but has not got enough money available.

Instead the navy is continuing to work on an entirely new type of submarine, which will be delivered in the middle of the 1980's at a cost of far more than 100 million kronor in terms of today's monetary value.

This is being very wasteful with money, according to the naval high command itself, but is an unavoidable consequence of the need to keep up with the development of weapons technology.

Defense Minister Lars De Geer, who christened the submarine, said that the appropriation for the navy cannot be cut down further than it has been.

"On the contrary, the navy's mission was increased last summer when the territorial boundaries were enlarged by 12 nautical miles.

"The Social Democrats last spring proposed a reduction of the total defense appropriation by 448 million kronor. I think it is desirable instead to raise the appropriation in the 1982 defense bill back to the former level," said De Geer.

That would mean an increase on the order of 300 million kronor, or in other words a difference from the Social Democrats' proposal of at least 700 million kronor a year. But the defense minister would not tie himself down on the exact size of the increase; that depends on how much room there is in the budget at the time, he said.

Per Rudberg, head of the navy, says, "Submarines are especially hard to detect here in the Baltic and the Atlantic. That is because the fresh water and the salt water do not really mix, but form layers, and that creates great difficulties in searching for them. We really need a good 20 submarines."

A few years ago the navy did have 20 submarines. But many old submarines have now been taken out of service, and in spite of the three new submarines --"Näcken," "Neptun," and Najad"--in the future the navy will have only 12 submarines.

A new series is needed every 6 or 7 years, it is asserted.

"To be able to afford to buy an adequate number of submarines of each series we would have to export to countries that can be approved as purchasers, and also cooperate with other countries on both development and production," says Ove Ljung, chief of the Defense Materiel Bureau, the purchaser of all war materiel for the Swedish armed forces.

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CSO: 3109

## EMPLOYEE FUND ISSUE IN ELECTIONS

Stockholm SVENSKA DAGBLADET in Swedish 19 Aug 79 p 2

[Editorial]

[Text] The Social Democrats will not talk very much about the union funds in the election campaign. When they do--as Olof Palme did in Söderfors the other day--it is in the form of assurances that all the problems would be solved if only there were union funds.

In the Social Democratic campaign brochures the fund question is simply glossed over. Attention is called to the technical problems that remain, and it is stated that the voters need not decide upon the funds problem until 1982. But in the 1979 elections the voters are supposed to believe that the union funds will solve all problems in the best possible way!

But the Social Democrats cannot get out of it so easily. The real meaning of the union funds must be one of the basic issues in the 1979 election. For the Social Democrats have already committed themselves to the basic principles. If the Social Democrats and the Communists should succeed in the elections, they would be empowered to carry out fund socialism.

Then what is the real import of the fund question?

It is not a question of broadening ownership, for all of the non-socialist parties are working to broaden the property-holding base. But it is individual people that should get a part of it. If capital is to be at the disposal of the union leaders who have control of the union funds, the question of a further concentration of power arises.

Nor does the fund question have to do with the economy's access to capital. Many have said--and most recently the Social Democrats' own economist Carl Johan Åberg has asserted--that it is not capital that is in short supply.

Nor does the wage-earners' influence depend on the question of the union funds. Influence through them would be concentrated in a small number of fund managements. That would not give the individual wage-earners or the union chapters in the plants any great direct influence. That can best be achieved in a different way.

What the fund question is really about is the social system and the market economy.

The LO/SAP [Swedish Federation of Trade Unions/Swedish Social Democratic Labor Party] proposal on union funds means that the funds would take over an important part of the economy by confiscation. In theory that would be done at a slow pace.

But the thought-provoking view has been advanced that the market economy will be put out of action as soon as the union funds start. The present stockholders will then try as soon as possible to get rid of their stocks before they become completely worthless. But no private persons will buy them.

Besides that, the very fact of a law providing for confiscation through union funds would lay a paralyzing hand on the whole economy. What incentive would there be for the present owners to operate an effective business? If they do so, they will lose their property by confiscation all the sooner.

Therefore the union funds are one of the foremost threats to employment.

Even the discussion of the union funds must have had a negative effect on the activity within the economy and thus already have prejudiced employment. The Social Democrats are honest, of course, when they say that they put employment first--but in practice their policy leads to the opposite result.

It is said that the union funds do not affect small businesses. But that is not so.

In the first place, according to the 1978 LO/SAP proposal companies that are not covered by the profit-sharing system are to pay a percentage of their payroll to the union organizations. In the second place, the 1976 LO congress demanded that there be no minimum size limit for incorporation into the fund system--and that position may be taken again.

In the third place, of course, the small businessmen would be affected in the greatest degree by the elimination of the market economy and by the concentration of power in the state and the unions that would come in its place.

The Social Democrats, of course, have no conscious intention of doing away with the pluralism in our democracy. But they are not sufficiently heedful of it. They cannot see--with the exception of a number of independent debaters--the threat both to the market economy and to our pluralistic democracy that the union funds involve.

They must therefore be made aware of it.

The 1979 elections are the right occasion for that.

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## JURA CONFLICT INTENSIFIES, FLARES UP AGAIN

## Both Sides Inflexible

Zurich NEUE ZUERCHER ZEITUNG in German 26/27 Aug 79 p 18

[Text] Delsberg, 24 Aug--The Fifth Conference of French-Speaking Communities, which is scheduled for next week and for which the Rassemblement Jurassien has invited to the new canton approximately 600 representatives from the respective regions of Europe and North America, is likely to trigger another South Jura confrontation between Bern Canton and the separatists. Both sides are totally intransigent so that clashes and vindictive acts appear to be inevitable, if the French-speaking foreigners' trip to Neuenstadt actually takes place on 26 August.

Like most other moves by the Rassemblement, its present move is a model of artfulness. In reply to our inquiry, Secretary General Roland Beguelin stated that it should be permissible to show guests from Europe and overseas the sights of Switzerland; in addition to Geneva, Lausanne and some other places, the itinerary happened to include Neuenstadt; Bern Canton would be a poor promoter of tourism, if it obstructed or even prohibited this visit to Lake Biel.

However, this protestation of innocence is clearly at variance with the latest statement by the Rassemblement, which includes the following announcement: "Should the South Jura reception ceremonies be disturbed, the Rassemblement Jurassien will--if necessary--take steps to ensure the participants' personal and material safety" ("Si les cérémonies d'accueil sont troublées dans le Jura méridional, le Rassemblement jurassien assurera, au besoin, la protection des biens et des personnes"). Asked what was meant by that, Beguelin replied that if in the event of attacks on guests conducting themselves like ordinary tourists the police failed to do their duty, one would have to take the matter of protection into one's own hands; questioned more closely, he still did not say by whom this protection would be provided--by Beliers [extremist group] or by "other persons." In this connection, Beguelin spoke of a "fascist atmosphere in the South Jura," an atmosphere abetted by the local press.

Obviously, the Rassemblement selected Neuenstadt not on account of its beautiful houses, but as a symbol of the demand for a reunited Jura extending "from

La Neuveville to Boncourt." This is precisely why one must fear that an intensification of the Jura conflict--manifested in confrontation and thus in a spectacular event--will attract international attention, which is the primary objective of the Rassemblement. Thus the advisability of a harsh reaction is to be doubted, even though it is quite clear that the Bern authorities are being pressured by a South Jura calling for action. Nevertheless, it would probably be better to ignore such provocations, thus letting them fall flat. Experience shows that the enthusiasm for demonstrations quickly evaporates in the face of empty streets.

Besides, it is rumored that within the Rassemblement Jurassien there are fundamental differences of opinion in regard to the course to be pursued. It is reported that especially Roger Schaffter, a member of the Council of Cantons who formerly was one of the most active promoters of the movement, has more and more been inclining toward the view that with the North Jura attaining political independence, a different, as it were "softer" policy was called for. It is also noted that JURA LIBRE has not published any commentaries by Schaffter for a long time.

Beguelin on his part claims not to have observed any such differences of opinion. He does concede, however, that since 24 September 1978 conditions have changed. He said that he had refused to run for election, even though outside the Jura such a move would perhaps have been welcomed, since it would probably tie him down to some extent; but he had wanted to retain his freedom of action, since the Jura problem was not solved yet. Beguelin pointed out that Roger Schaffter, the deputy in charge of cooperation who was thus directly subordinated to the present district president, Francois Lachat, and who was a regular participant in the negotiations with the Federal Council and the Bern Government, now was facing a changed situation that was "not always easy;" moreover, he was now confronted with the problem of reelection to the Lower House. To try to draw farther-reaching conclusions from these statements would be equivalent to soothsaying. Unofficial information from the Rassemblement is very scarce.

#### Council Debates Jura Problem

Zurich NEUE ZUERCHER ZEITUNG in German 29 Aug 79 p 17

[Text] Bern, 27 Aug--Before the topical background of the latest incidents in the Jurassian part of the country, the Bern Grand Council on Monday afternoon opened the long-planned Jura debate, which is to be continued next week with a general discussion and a clarification of positions by the Government Council. The discussion will revolve around the territorial integrity of the Canton of Bern and around the agreements concluded with the Jura Canton.

On the opening day of the Bern Grand Council's September session, there were presented again--for the first time after a long lull--a large number of declarations and comments such as were customary during the discussion of the Jura Statute and during the plebiscitary phase. The substantiation of various

Jura measures, which had been scheduled for the first day of deliberations, was complemented by statements concerning the incidents in Neuenstadt and La Ferriere. Bringing forward motions and interpellations, four deputies tackled two complexes of problems pertaining to Jura policy. Claiming that the time of declamations was past and that the breach of domestic peace by the Rassemblement Jurassien could no longer be tolerated, one South Jura and two Old Bern deputies suggested to terminate the cooperation agreements concluded with Jura Canton in December 1978. In regard to tone, however, these three interpellations differed considerably: Whereas one of the deputies anxiously inquired whether the other cantons had recognized the danger, the representative of the Confederate Democratic Union called for increased police presence and the arrest of separatist ring leaders.

The conclusions drawn by Grand Councilor Andre Ory appear to be of special significance. The president of the Bern Jura Communal Association took the view that on account of certain legislative lacunae Article 5 of the Federal Constitution--which guarantees the territorial integrity of the cantons--was inapplicable. Thus it would be necessary, he said, through amendatory legislation to realize the intent of the constitution, not only in regard to the danger to cantonal integrity caused by other cantons, but also that caused by private persons.

In a moderate tone intended to calm the South Jurassian population, the delegation of Bern Jura Grand Councilors commented on last weekend's incidents. They argued that the Rassemblement's continuing struggle for the Bernese Jura was threatening the French-speaking cantons and the confederacy as well; the Federal authorities should therefore accept their responsibility and counter this threat by legal means; only in this way could one keep the South Jurassian population from succumbing to a mood of helplessness. The three separatist Grand Councilors on their part supported the Jura Government's demand for a Federal control commission.

In a statement concerning the La Ferriere incident, Government Councilor Werner Martignoni condemned the employment of armed militias and promised speedy clarification by the local police and judicial authorities. According to Martignoni's account and an eyewitness report by a South Jurassian Grand Councilor, the ethnic delegates' caravan had voluntarily stopped and thus had not been obstructed by roadblocks. According to these reports, the Beliers [extremist group] accompanying the foreign delegates had fired detonating projectiles at a group of young antiseparatists, two of whom were seriously injured.

#### Clashes in La Ferriere

Zurich NEUE ZUERCHER ZEITUNG in German 29 Aug 79 p 17

[Text] Bern, 27 Aug--In order to clarify the incident in La Ferriere, where last Sunday separatists and pro-Bern individuals engaged in a bloody fight and set off demolition charges, the matter has been referred to the local investigating judge. Since the combatants did not use any explosives, the Attorney

General does not concern himself with this incident. The brawl in this locality, which belongs to the Canton of Bern, erupted when foreign participants of the Fifth Conference of French-Speaking Communities and members of the separatist Beliers youth organization, who were traveling by bus from Neuenburg to Delsberg, clashed with antiseparatists. According to the police report, two persons were injured in the brawl. Before the clash, the autonomists had participated in the boating trip on Lake Biel; shouting and waving flags and petards, they had engaged in a long-distance skirmish with pro-Bern individuals outside the Neuenstadt harbor.

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## SUKAN PRESSES ARMS SMUGGLING INVESTIGATION

Istanbul MILLIYET in Turkish 23 Aug 79 p 4

[Text] Ankara, Special -- Deputy Prime Minister Faruk Sukan announced that it had been determined that in the past 7 months, 17 ships carrying a total of 32,000 tons of processed iron-steel and sheet iron billed as scrap iron had come into Yarimca port and left again without being processed at all.

Sukan remarked at a press conference yesterday that the investigation was being pressed in connection with the two ships seized and nine persons arrested earlier at Yarimca port, that inquiries were being conducted at Yarimca customs in particular and that new irregularities had been discovered in the course of these inquiries and investigation. He said that it had been determined that 32,000 tons more of processed iron had been smuggled into the country in the period from December 1978 to July 1979.

Sukan said:

"Aside from Yarimca port, three ships, one Turkish and two Greek Cypriot, brought processed iron-steel also entered as scrap iron to Gemlik port, the cargo carried on the Turkish ship appeared as 1,140 tons of ingots on the ship's delivery order and appeared as scrap iron in the customs declaration. The 4,989-ton cargo brought on one of the Greek Cypriot ships, which unfortunately got away, was shown as scrap iron, and the cargo of the second ship was also shown as scrap iron. We were tipped off, we investigated, we saw that it was processed ingot steel and sheet iron, we delayed the cargo at the customs shed, and the necessary investigation is continuing."

Sukan reported that "it is thought that the processed steel brought into Turkey by sea has reached 50,000 tons in the past 8 months, the contraband is being obtained in Europe and sent to Turkey through the Bulgarian port at Burgas." He said, "A ring formed by a group of Turkish citizens who are now out of the country is carrying out this smuggling, and their headquarters is in Bulgaria." Sukan added, "A 3-person commission composed of inspectors from the Finance and Customs and Monopolies Ministries and a financial police inspector has begun work on iron smuggling."

### Arms Smuggling

Sukan also spoke of arms smuggling at the press conference, saying, "During the 8 months of martial law, the illicit arms and ammunition seized by commanders in the martial law regions alone amount to a total market value of 100 million liras."

Sukan pointed out that "armed actions depend on arms smuggling, the two are inseparable," and said:

"Arms are coming into Turkey from Syria through our southeastern provinces. The weapons arriving via this particular route are of Russian make. Arms are also coming by sea from such places as Varna, Burgas, Constanta, Italian ports and Lebanon. The weapons are unloaded in Turkey in the Samandag area. Weapons are being brought in by TIR's, weapons are even being smuggled by air. It is necessary that Turkey get on this matter through diplomatic and political channels, otherwise we cannot prevent armed actions. This has become a state and government problem. At the recommendation of the National Security Council, a commission has been set up under Eyuboglu's chairmanship and this commission is investigating the matter of arms smuggling."

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CSO: 4907

## JP SEEKS VOTES WITH FORMER TRT DIRECTOR'S CANDIDACY

Istanbul CUMHURIYET in Turkish 27 Aug 79 pp 1, 7

[Article by Ugur Mumcu: "Getting Out the Vote"]

[Text] The JP [Justice Party] has put up the candidacy of former Turkish Radio and TV Administration Director General Saban Karatas from Konya for the national deputy interim elections. Karatas is a founder of the Democratic Party. This does not matter to Demirel. By running Karatas, the JP hopes to garner right-wing votes. Therefore, it does not care that the candidate was a founder of a party which was formed in opposition to itself in the past.

Karatas' participation in the elections as a JP candidate from Konya is a clever strategy. Karatas may get Democratic Party votes, as well as draw off some National Salvation Party and Nationalist Action Party votes.

The RPP has to come up with a strong candidate against Karatas in Konya. This strong candidate will have to attract, not just the traditional RPP voters, but votes of non-RPP circles as well.

Is there such a candidate? We do not know. We do not know, but such a candidate may be found if it is desired. If the JP managed to find one, the RPP can find such a candidate, too.

The RPP has to find candidates to increase its party votes in the Senate one-third replacement elections also. Some left-wing votes in Istanbul, for example, seem likely to shift to parties other than the RPP. Such a shift of votes may deprive the RPP of one or two senators. Candidates who have captured the interest and respect of the left, however, may add strength to the RPP list in order to prevent this.

If the RPP administrators can overcome their narrow clique~~clique~~ and find this sort of candidate, they will protect their vote percentage to an extent. But if they bring to the fray such tallying as "My candidate, your candidate" or "Topuz man, headquarters man," at least one Senate seat will be lost.

It is necessary to be very realistic: the RPP cannot keep intact the votes it got in 1977 in the cities where left-wing votes are concentrated. It would at least be a realistic attitude to do the figuring accordingly. Is it not, therefore, necessary to seek and find formulas to prevent the shift of left-wing votes?

The RPP went into the 1977 elections with a "We will win, no matter how" psychology. Within this psychology, it vetoed candidates who had gained strength in their own circles; by saying in certain cities, though it was completely unnecessary, "Let the headquarters man be elected," "headquarters primaries" were held. Mardin National Deputy Metin Musaoglu, who recently went over to the JP, was a candidate selected by headquarters primary by the RPP administrators of that time. Do you know who the candidate was whom the RPP decided to dispense with in order to get Musaoglu elected? It was independent National Deputy Nurettin Yilmaz, who has supported the RPP in its most difficult days during the past two years!

If the RPP had not fallen into such errors as this in the 1977 elections, perhaps it would have reached a number to enable it to come to power on its own. Who knows how many people the headquarters primaries, nylon delegates and vetoes kept from being elected?

This time, quota candidates must not be included in interparty counts.

Headquarters primaries and quota candidates could be used to increase the party's percentage of the vote. In these elections, the RPP does not have the "We will win, no matter how" psychology as it did in the 1977 elections. For this reason, the count should be made very carefully, and by bearing in mind local conditions and attracting votes from the masses outside the RPP, a few strong quota candidates should be found and the lists settled upon.

The JP is taking a smart route by putting up Karatas from Konya. The RPP ought to get over such unproductive tallying as "Your man, my man" and find a few candidates to get out the vote.

Can the RPP administrators overcome internal party tallying and select candidates to get out the vote? We don't much think so.

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